

Board of Governors Meeting

July 2023



Pennsylvania's
STATE SYSTEM
of Higher Education



Board of Governors Meeting

July 20, 2023

Alexander Grass Campus for Jewish Life
2986 N. 2ND STREET, HARRISBURG, PA 17110

1. Roll call
2. Pledge of allegiance
3. Remarks by the Chair
4. Public comment
5. Remarks on behalf of PACT
6. Remarks by union leaders
7. Consent agenda
(These items will be considered in one motion unless a member requests an item be removed for individual consideration)
 - a. Meeting minutes (page 5)
 - b. Audit committee name change (page 12)
 - c. Audit policy updates (page 13)
8. Remarks by the Chancellor and Staff
9. Governance & Leadership Committee
 - a. Student trustee appointments (page 24)
10. Student Success Committee
 - a. Policy 1986-04-A: *Program Review* (page 36)
 - b. Policy 1993-01-A: *General Education* (page 40)
11. University Success Committee
 - a. Appropriation allocation approval (page 48)
 - b. Preliminary budget approval (page 52)
12. Board consideration
 - a. Approval of committee recommendations
 - b. Tuition and tech fee rates for 2023-2024 (page 74)
 - c. Resolution 2023-02: *Exercising the Fiduciary Responsibility of the Board of Governors for Efficient, Effective, and Financially Sustainable Universities* (page 77)
 - d. Ratification of side letter with APSCUF (page 98)
 - e. Election of officers
 - f. Service resolutions
13. Other business
14. Adjournment

*Executive Session may be called as needed;
sequence of agenda items may change*



Pennsylvania's
STATE SYSTEM
of Higher Education



CONSENT AGENDA



Pennsylvania's
STATE SYSTEM
of Higher Education

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

Meeting Minutes

Draft for Approval

298th Meeting
Thursday, April 20, 2023
9:00 a.m.
Alexander Grass Campus

ATTENDING

Board of Governors:

Senator David Argall
Robert W. Bogle
Representative Tim Briggs
Deputy Secretary Steve D'Ettorre, alternate designee for Gov. Shaprio
Deputy Secretary Kate Shaw, Designee for Secretary of Education, Dr. Khalid Mumin
William A. Gindlesperger
Abigail Hancox
Darrek Harshberger
Allison Jones
Daniel Klingerman
David M. Maser
Representative Brad Roae
Senator Judith Schwank
Cynthia D. Shapira (Chair)
Larry C. Skinner (Vice Chair)
Samuel H. Smith (Vice Chair)
Skylar Walder
Secretary Neil R. Weaver
Janet L. Yeomans

Also, in attendance was Faculty Liaison, Dr. Amanda Morris.

Chair Cindy Shapira called the meeting to order at 9:00 a.m.

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

CHAIR'S REMARKS (Full remarks in video archive)

Chair Shapira thanked the Jewish Federation of Greater Harrisburg for supporting the system with the use of their campus, which was formerly the PASSHE headquarters.

Chair Shapira thanked all who took part in the workshops, which included presentations from national leaders about how PASSHE can support faculty as they seek to meet the needs of students.

Chair Shapira recognized the hard work and dedication of the students, faculty, and staff among the PASSHE universities, extended congratulations to those graduating, and additional comments on upcoming retirements, East Stroudsburg presidential inauguration and other system events.

PUBLIC COMMENT

None

REMARKS BY PACT (Pennsylvania Association of Councils of Trustees)

(Full remarks in video archive)

Dr. Rich Frerichs, PACT President and Vice Chair, Millersville University Council of Trustees

REMARKS BY UNION LEADERS (Full remarks in video archive)

AFSCME - David Henderson, Executive Director, AFSCME Council 13

SPECIAL PRESENTATION (Full remarks in video archive)

David Maser, Chair of the Student Success Committee, and West Chester University President Christopher Fiorentino, introduced this year's winner of the Syed R. Ali-Zaidi Award for Academic Excellence, Ms. Jocelyn Brown of West Chester University.

CONSENT AGENDA

Chair Shapira moved that the Consent Agenda be approved as presented:

- Meeting Minutes – February 16, 2023
- Standing Committee Assignments
- Bond refinancing

Voice vote. No opposition. The motion passed.

REMARKS BY CHANCELLOR AND STAFF (Full remarks in video archive)

Chancellor Greenstein and respective staff offered remarks on several initiatives:

- **Insights on Innovation - Supporting Faculty Development** – Dr. Donna Wilson, Vice Chancellor and Chief Academic Officer, opened the session with introductions and remarks from several faculty among the PASSHE universities who achieved certifications through online coursework with ACUE (Association of College and University Educators and the American Council on Education).
- **Status of DEI Review of System-Level Policies** – Dr. Denise Pearson, Vice Chancellor and Chief Diversity, Equity, and Inclusion Officer, provided an update on the Policy Review Committee's progress in reviewing all board policies through an equity lens. Twenty two policies were reviewed in the pilot phase, and the remaining policies are expected to be reviewed and forward recommendations by summer 2024. It was suggested to prioritize remaining policies to ensure a thorough and expedient review of those of a more sensitive nature for compliance.

GOVERNANCE AND LEADERSHIP COMMITTEE (Full remarks in video archive)

Roll call was conducted at the request of Committee Chair Smith and the following members were present: Maser, Jones, Hancox, Schwank and Shapira (ex-officio). Chair Smith reviewed the student trustee appointments as presented in the meeting materials.

Based on input from the university presidents of Commonwealth University, East Stroudsburg University, Indiana University, Penn West University, Slippery Rock University, and the Office of the Chancellor, the Committee recommended the appointment students to their respective University Council of Trustees:

MOTION: COMMITTEE CHAIR MOVED THAT THE BOARD OF GOVERNORS HEREBY APPOINTS JESSICA DODGE TO THE COMMONWEALTH UNIVERSITY COUNCIL OF TRUSTEES; DAMALI JACKSON TO THE EAST STROUDSBURG UNIVERSITY COUNCIL OF TRUSTEES; SHAGUFTA HAQUE TO THE IUP COUNCIL OF TRUSTEES; RACHEL KISTER TO THE PENNWEST UNIVERSITY COUNCIL OF TRUSTEES; AND CIERRA MITCHELL TO THE SLIPPERY ROCK UNIVERSITY COUNCIL OF TRUSTEES.

Voice vote of the committee members. No opposition. The motion passed.

BOARD CONSIDERATION (Full remarks in video archive)

MOTION: CHAIR SHAPIRA MOVED THAT THE BOARD OF GOVERNORS APPROVE THE ACTION OF THE GOVERNANCE AND LEADERSHIP COMMITTEE.

Voice vote of the committee members. No opposition. The motion passed.

2023-24 AND TENTATIVE 2024-2025 BASIC TUITION AND TECHNOLOGY FEE RATES (Full remarks in video archive)

Chancellor Greenstein presented information on what Pennsylvania needs to meet the educational demands of job growth and sustainability in high demand areas and the costs associated to meet those demands for the coming years. A discussion and analysis of the various appropriation levels was discussed in great detail, and their impacts on the system and universities overall in order to meet the needs of educating the citizens of Pennsylvania and enable universities to grow credentialing in high demand areas.

WITHOUT OBJECTION, CHAIR SHAPIRA DEFERRED THE BOARD'S ACTION ON THE TUITION AND TECHNOLOGY FEE RATES UNTIL THE JULY 2023 BOARD OF GOVERNORS MEETING.

This action would allow time for the Commonwealth's budget process to be completed and provide the necessary figures for the system to determine an adequate tuition rate for the board consideration.

RATIFICATION OF POA COLLECTIVE BARGAINING AGREEMENT AND SPFPA MEMORANDUM OF UNDERSTANDING (Full remarks in video archive)

Chair Shapira briefly summarized the bargaining agreement and memorandum of understanding for the respective collective bargaining units of the PASSHE Officers Association (POA) and Security, Police and Fire Professionals of America (SPFA), as presented in the meeting materials.

**MOTION: CHAIR SHAPIRA MOVED THAT THE BOARD OF GOVERNORS RATIFY:
(1) THE COLLECTIVE BARGAINING AGREEMENT WITH THE PASSHE OFFICERS ASSOCIATION;
(2) THE MEMORANDUM OF UNDERSTANDING WITH THE INTERNATIONAL UNION, SECURITY, POLICE AND FIRE PROFESSIONALS OF AMERICA;
AND AUTHORIZES THE CHANCELLOR AND THE CHAIRWOMAN OF THE BOARD OF GOVERNORS TO EXECUTE THE APPROPRIATE DOCUMENTS.**

Voice vote of the committee members. No opposition. The motion passed.

EXTENSION OF CHANCELLOR'S APPOINTMENT (Full remarks in video archive)

Chair Shapira offered remarks and noted the accomplishments of Chancellor Dan Greenstein over the past five years, which has positioned the system to serve more Pennsylvanians from every walk of life, and gained national recognition.

MOTION: CHAIR SHAPIRA MOVED THAT THE BOARD OF GOVERNORS, HAVING COMPLETED ITS EVALUATION OF THE CHANCELLOR, EXTENDS THE APPOINTMENT OF CHANCELLOR DANIEL GREENSTEIN FOR THE MAXIMUM ALLOWED PERIOD OF FIVE YEARS AND AUTHORIZES THE CHAIR TO EXECUTE ALL NECESSARY DOCUMENTS.

Voice vote of the committee members. No opposition. The motion passed.

RESOLUTION

Chair Shapira welcomed to the meeting Dr. Tanya Garcia, who recently rotated off the Board and concluded her service as Deputy Secretary of Education and Commission of Higher Education. Dr. Garcia offered remarks and thanked everyone for their support during her time on the board.

MOTION: CHAIR SHAPIRA MOVED THAT THE BOARD OF GOVERNORS APPROVE THE FOLLOWING RESOLUTION OF THE BOARD:

WHEREAS DR. TANYA GARCIA WELL AND FAITHFULLY SERVED THE COMMONWEALTH OF PENNSYLVANIA AS DEPUTY SECRETARY OF EDUCATION AND COMMISSIONER OF HIGHER EDUCATION; AND

WHEREAS IN HER ROLE SHE REPRESENTED THE SECRETARY OF EDUCATION AS HIS VOICE ON THE BOARD OF GOVERNORS DURING CRITICALLY IMPORTANT TIMES INCLUDING THE GLOBAL PANDEMIC AND THROUGH ALL ASPECTS OF SYSTEM REDESIGN; AND

WHEREAS SHE WAS A CONSTANT SOURCE OF KNOWLEDGE, PERSPECTIVE, AND INSIGHTS THAT ENHANCED THE WORK OF THE BOARD AND ADVANCED THE MISSION OF THE STATE SYSTEM;

THEREFOR BE IT RESOLVED THAT THE BOARD OF GOVERNORS HONORS DR. TANYA GARCIA FOR HER DEDICATION AND COMMITMENT TO THE STUDENTS, FACULTY, AND STAFF OF THE STATE SYSTEM, AND WISHES HER HAPPINESS AND SUCCESS IN THE NEXT CHAPTER OF HER LIFE.

Resolution approved by acclamation.

ADJOURNMENT

For the record, Chair Shapira noted that the Board met in executive session on April 19, 2023, from 1:30 p.m. to 4:00 p.m. and on April 20, 2023 from 8:30 a.m. to 9:00 a.m. to discuss contractual and personnel matters.

The meeting was adjourned at 11:50 a.m.

ATTEST:

Randy A. Goin, Ph.D.
Deputy Chancellor

Meeting webcast is available here: [BOG Meeting April 2023 - YouTube](#)

Board of Governors Pennsylvania's State System of Higher Education

Meeting Minutes

Draft for Approval

299th Meeting
Wednesday, June 7, 2023
10:00 a.m.
Via Zoom

ATTENDING

Board of Governors:

James Brugger, Designee for Senator David Argall
Representative Tim Briggs
Deputy Secretary Kate Shaw, Designee for Secretary of Education, Dr. Khalid Mumin
William A. Gindlesperger
Abigail Hancox
Darrek Harshberger
David M. Maser
Representative Brad Roae
Tom Gombar, Designee for Senator Schwank
Cynthia D. Shapira (Chair)
Samuel H. Smith (Vice Chair)
Skylar Walder
Secretary Neil R. Weaver
Janet L. Yeomans

Also, in attendance was Faculty Council Liaison, Dr. Tina Chiarelli-Helminiak.

Chair Cindy Shapira called the meeting to order at 10:00 a.m.

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

CHAIR'S REMARKS (Full remarks in video archive)

Chair Shapira reviewed the purpose of the meeting and agenda items that the Board will consider. Chair also welcomed all participants, to include new faculty council liaison member, Dr. Tina Chiarelli-Helminiak, who was recently elected to the faculty council, replacing former member Dr. Amanda Morris.

PUBLIC COMMENT

None

REMARKS BY UNION LEADERS (Full remarks in video archive)
SCUPA President - Frances Cortez Funk

BOARD CONSIDERATION (Full remarks in video archive)
Chair Shapira presented the following items for board consideration:

- Appointment of student trustee for Kutztown University
- University short-term financing

Governance and Leadership Committee Chair Sam Smith reviewed the student trustee application for Kutztown University as presented in the meeting materials. Chair Smith noted for the record that the Committee normally meets to review such applications prior to board action, however, given the circumstances of short turn around to meet Kutztown University's Council of Trustees meeting scheduled for June 8, 2023, that review took place individually by Board members in preparation for today's action.

Therefore, based on input from the university president of Kutztown University, and the Office of the Chancellor, Gov. Smith recommended the appointment of Payton Mentzer to the Kutztown University Council of Trustees:

MOTION: THAT THE BOARD OF GOVERNORS HEREBY APPOINT PAYTON MENTZER TO THE KUTZTOWN UNIVERSITY COUNCIL OF TRUSTEES.

Voice vote of the committee members. No opposition. The motion passed.

UNIVERSITY SHORT-TERM FINANCING

MOTION: CHAIR SHAPIRA MOVED THAT THE SYSTEM OFFICE, UPON CONSULTATION WITH THE EXECUTIVE COMMITTEE OF THE BOARD, BE AUTHORIZED TO PROVIDE PASSHE UNIVERSITIES WITH APPROPRIATION ADVANCE NOTES UP TO \$3 MILLION TO ENSURE SUFFICIENT LIQUIDITY ACROSS FISCAL YEARS WHEN DEEMED NECESSARY BY THE SYSTEM OFFICE. APPROPRIATION ADVANCE NOTES SHALL BE REPAYED ACCORDING TO A REPAYMENT SCHEDULE ASSOCIATED WITH THE UNIVERSITY'S SUBSEQUENT YEAR'S APPROPRIATION FUNDS. ALL SUCH TRANSACTIONS WILL BE REPORTED TO THE BOARD OF GOVERNORS AT ITS NEXT MEETING.

Voice vote of the committee members. No opposition. The motion passed.

ADJOURNMENT

For the record, Chair Shapira noted that the Board met in executive session on June 7, 2023 from 9:00 a.m. to 10:00 a.m. to discuss contractual matters.

The meeting was adjourned at 10:15 a.m.

ATTEST:

Randy A. Goin, Ph.D.
Deputy Chancellor

Meeting webcast is available here: [BOG Meeting 6-7-23 - YouTube](#)

Board of Governors
July 20, 2023

SUBJECT: Updated name for Audit and Compliance Committee

UNIVERSITIES AFFECTED: All

BACKGROUND: Board bylaws allow for the creation of standing and *ad hoc* committees that are intended to support the Board's role in providing governance of the State System. From time to time, the names and/or role of those committees are revised to reflect the changing needs of the Board and the System.

This action would change the name of the Audit and Compliance Committee to the "Audit, Compliance, and Risk Committee" in recognition of the body's role to establish expectations regarding risk assessment from a fiduciary perspective. Such actions are already included in the committee's scope, so this is simply adjusting the name to more broadly reflect the work of the body.

MOTION: That the Board of Governors approves the name "Audit, Compliance, and Risk Committee"

Supporting Documents Included: [Committee descriptions](#); [Board bylaws](#)

Other Supporting Documents Available: N/A

Reviewed by: Board chair; committee chair

Prepared by: Randy Goin Jr.

Contact: rgoin@passhe.edu

Board of Governors
Audit and Compliance Committee Meeting
June 30, 2023

SUBJECT: Revisions to Board Policy 1991-06-A: *State System Audit Policy and rescission of Board Policy 1986:01-A: Audit*

UNIVERSITIES AFFECTED: All

BACKGROUND: The following revisions were reviewed by the Audit Committee in a meeting on June 30, 2023 and are recommended for approval by the full Board.

In the State System's transition to an updated, risk-based model of internal audit services delivered through a third-party provider, revisions were needed to the associated policy, 1991-06-A: *State System Audit Policy*, to reflect how the audit activities would be conducted. This revised policy provides a robust framework reflecting the objectives for internal audit activities, the associated risk assessment activities, and roles and responsibilities of the audit and compliance committee as well as the internal audit function.

In addition, external audit activities had previously been reflected in a separate policy, 1986:01-A *Audit*. These policy requirements have been incorporated into Policy 1991-06-A: *System Audit Policy*, which is now comprehensive and encompasses both internal and external audit activities.

Operational guidance for both internal and external audit has been incorporated into a new procedure and standard.

MOTION: The Board of Governors approve the revisions to State System Audit Policy (1991-06-A) and the rescission of the Audit Policy (1986:01-A), to be incorporated in the preceding policy.

Supporting Documents Included: Policy 1991-06-A and Policy 1986:01-A with associated mark-up

Other Supporting Documents Available: N/A

Reviewed by: Audit Committee, Executive Leadership Group, and Fiscal and Administrative VPs

Prepared by: Molly Mercer

Contact: mmercerc@passhe.edu



PA State System of Higher Education Board of Governors

Effective: October 17, 1991

Page 1 of 4

Policy 1991-06-A: State System Audit Policy Red lined version with proposed edits in tracked changes

See Also:

NOTE: Procedure-level details have been incorporated in a new associated procedure/standard

Adopted: October 17, 1991

Amended: July 12, 2001; October 12, 2006; July 16, 2009; April 7, 2016, and July 20, 2023

I. Audit and Compliance Committee

A. Purpose

The primary mission of the Audit and Compliance Committee shall be to assist the Board of Governors in exercising its due care and diligence in discharging System-wide oversight and monitoring responsibilities. An important objective of the Audit and Compliance Committee shall be to support and oversee the activities of the ~~office of~~ internal audit function (Internal Audit) and risk assessment, maximizing the function's operations and value across the State System.

~~B. Organization~~

~~The Audit Committee shall be a permanent committee comprised of no fewer than three members of the Board of Governors. The chairman of the Board shall appoint the chair and other members of the Audit Committee. The Audit Committee shall meet at least twice a year. The chair of the Audit Committee, however, shall have the authority to call a meeting whenever necessary. The System's chief counsel, director of the office of internal audit and risk assessment, and other personnel as necessary, shall serve as staff to the Audit Committee.~~

B. Policy

~~1.~~

2.1. The Audit and Compliance Committee shall assist the Board of Governors in discharging its System-wide oversight and monitoring responsibilities by:

a. Promoting the development of an effective and continuously improving control environment to achieve the System's goals and objectives.

~~b.~~ a. _____

• Overseeing the System's internal control environment and risk assessment practices.

~~e.b.~~

~~e.~~ Serving as a voice on the Board of Governors and other standing committees by relaying an audit perspective when related issues are brought before the committees.

d. Providing a direct channel of communications to the Board of Governors for the System's independent public accounting firm and Internal Audit.

3.2. The Audit and Compliance Committee shall review and approve the scope of the System's internal audit annual work plan.

~~Procedures~~

~~Specific duties of the Audit Committee shall include the following:~~

~~Approve the appointment of the director of the office of internal audit and risk assessment, and the department's annual budget and staffing, **in consultation with the Chancellor.**~~

~~Review and approve the scope of the office of internal audit and risk assessment.~~

~~Request the performance of supplemental reviews or other audit procedures, including investigations when necessary.~~

~~Meet with the System's independent public accountants and director of the office of internal audit and risk assessment to review the results of their annual work. This shall include:~~

~~A review, in advance of final issuance, of the System's annual audit opinion, financial statements, and management letter;~~

~~A timely review of any significant risks, and disposition of findings and recommendations, including corrective actions taken or in progress;~~

~~At least annually, provide an opportunity for members of the Audit Committee to meet with representatives of the independent public accounting firm and the director of the office of internal audit and risk assessment Internal Audit, without other System management personnel present; and~~

~~A review of the disposition of audit findings and recommendations contained in reports of the Department of the Auditor General, as well as other audits by outside agencies that may arise.~~

~~Annually report to the full Board of Governors on the Audit Committee's activities.~~

~~II. Office of Internal Audit and Risk Assessment~~ Internal Audit Function and Risk Assessment

~~D.~~A. Purpose

To provide policy for establishment and support of a System internal audit function and risk assessment, and pursuant to a resolution exercising the fiduciary responsibilities of the Board of Governors (Board) for efficient, effective, and financially sustainable universities (date/reference). In carrying out their duties and responsibilities, members of ~~the office of internal audit and risk assessment~~ Internal Audit shall have full, free, and unrestricted access to all System records, property, and personnel except where such access may be limited or barred by federal or state law, or the provisions of a relevant collective bargaining agreement. ~~No private agreement between the System and a third party shall be used to limit the applicability of this section unless reviewed and approved by the Office of Chief Counsel.~~

~~A.~~ Objectives

- ~~1. Establish an ongoing, independent capability to review all System operations, including affiliated organizations where appropriate, to:~~
 - ~~a. Ensure compliance with statutes, regulations, and policies;~~
 - ~~b. review reliability and integrity of financial data, operating information, and the means used to identify, measure, classify and report it;~~
 - ~~c. make value-added recommendations for improvements regarding economy, efficiency, and effectiveness; and~~
 - ~~d. perform appropriate follow-up procedures and assess the effectiveness of actions taken.~~
- ~~2. Establish an ongoing, collaborative risk assessment process managed by the office of internal audit and risk assessment and including each of the System universities and the Office of the Chancellor.~~
 - ~~a. The office of internal audit and risk assessment will facilitate conversations and exercises in a multi-layered risk assessment approach initiating with a university president and senior management, then secondarily with line management and personnel in the identification of potential risks. The same multi-layered approach will be employed within the Office of the Chancellor.~~
 - ~~b. The adequacy of internal controls supporting operations will be evaluated.~~
 - ~~c. Identified operations with significant operating exposure to a university and/or the Office of the Chancellor, and where appropriate internal controls are not evident, will be defined as a potential high-risk exposure.~~
 - ~~d. Potential high-risk exposures at an institution will be communicated and discussed with the university's president. Potential high-risk exposures identified at the System level will be communicated with the Chancellor.~~
 - ~~e. Consideration will be given by the President and/or Chancellor for further evaluation of the risk exposure as part of a more detailed internal audit analysis.~~

- ~~f. Risk assessment outcomes will be utilized in development of a prioritized annual internal audit work plan based on recognized levels of risk exposure and possible resulting liabilities.~~
- ~~g. Audit outcomes will include recommendations for consideration by a university president and/or the Chancellor to strengthen internal controls through a change in operational and/or financial practices, documented policies, guidelines, etc.~~
- ~~3. Serve as in-house management consultants to the System. University presidents and the chancellor may request assistance from the office of internal audit and risk assessment on an as needed basis to review special issues, including strategic plan initiatives, and/or conduct such audits on the campuses and in the System headquarters as may be requested with the approval of the Audit Committee.~~
- ~~4. Act as liaison to the Department of the Auditor General and Office of Inspector General on System matters related to inquiries, referrals, and investigations.~~

F.B. Policy

- ~~1. There shall be created an organizational element within the Office of the Chancellor known as the office of internal audit and risk assessment. The director of the office of internal audit and risk assessment~~ Internal Audit ~~shall report functionally to the Audit and Compliance Committee of the Board of Governors and administratively to the System's Chancellor through the Chief Financial Officer to achieve organizational independence. Internal Audit will have unrestricted access to and communicate and interact directly with the Audit and Compliance Committee.~~
- 2. The internal audit function shall be independent and will remain free from interference by any element in the institution, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independence and objectivity. Internal Audit will confirm to the board, at least annually, the organizational independence of the internal audit function.
- 3. Internal Audit will keep the Audit and Compliance Committee, chancellor, and necessary university executive leadership informed of performance relative to its annual work plan and unusual transactions or other matters of significance identified through the course of internal audit work.

~~The office of internal audit and risk assessment shall serve as in-house management consultants to the System. University presidents and the chancellor may request assistance from the department on an as needed basis to review special issues, including strategic plan initiatives, and/or conduct such audits on the campuses and in the System headquarters as may be requested.~~

- ~~4. Requests for assistance of the office of internal audit and risk assessment~~ Internal Audit ~~reviews~~ activities can be made at the

university and System level at any time. ~~shall be communicated to the System's Chancellor and chief counsel by the director and approved by the Audit Committee chairperson.~~

5. Internal Audit conducts their internal audit services in accordance with professional standards and frameworks, ~~such as:~~

~~The office of internal audit and risk assessment shall follow the System's Procedure/Standard Number 2013-17, Conducting Investigations Received through the State System's Incident Reporting System.~~

~~The office of internal audit and risk assessment's cost shall be funded as a Board of Governors expense to the legislative appropriation prior to allocation based on the System's funding formula.~~

6. The scope of work of ~~the office of internal audit and risk assessment~~ Internal Audit ~~shall encompass all System operations, including affiliated organizations where appropriate, academic instruction by the faculty excepted.~~

7. Internal Audit, with strict accountability for confidentiality and safeguarding of records and information, is authorized full, free, and unrestricted access to all system records, property, and personnel except where such access may be limited or barred by federal or state law, legal privilege, or the provisions of a relevant collective bargaining agreement.

8. Internal Audit will handle all information obtained during a review in the same prudent manner as the original custodian of the information. Internal audit respects the value and ownership of information received and shall not disclose information without appropriate authority unless there is a legal or professional obligation to do so.

9. The System's internal audit function shall subscribe to the mandatory Code of Ethics established by The Institute of Internal Auditors, as well as adhere to governing policies of the System; the applicable policies of the Commonwealth of Pennsylvania, as well as applicable laws such as the Public Official and Employee Ethics Act.

10. Internal Audit fees shall be funded as Systemwide Program as outlined in Policy 1984-06-A: Allocation Formula.

III. Implementation

1. Procedure/Standards, and guidelines will be issued to address operational details and implementation of this policy.



PA State System of Higher Education Board of Governors

Effective: January 21, 1986

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Policy 1986-01-A: Audit

Procedure-level details have been incorporated in a new associated procedure/standard

Redlined/Rescinded Policy

See Also:

Adopted: January 21, 1986
Amended: January 19, 2012

~~A. Purpose~~

~~To prescribe the requirements for the annual independent audits of PASSHE's consolidated financial statements and the separate financial statements for each university and the Office of the Chancellor.~~

~~B. Definitions~~

~~**Component Units** – Separately incorporated affiliated organizations that are considered to be so closely related to the universities that their financial activity must be presented in the universities' financial statements. GASB Statement 39, Determining Whether Certain Organizations Are Component Units (GASB 39), establishes the criteria for determining whether a university affiliate is a component unit and prescribes how the information is to be reported. Most university foundations and student government associations are component units.~~

~~**Financial Statements Audit** – Independent assurance as to whether the financial statements present fairly, in all material respects, the financial position, changes in net assets, and cash flows of an entity and its discretely presented component units in conformity with accounting principles generally accepted in the United States of America.~~

~~**Generally Accepted Accounting Principles (GAAP)** – The set of rules, conventions, standards, and procedures widely accepted in the United States of America for reporting financial information.~~

~~**Governmental Accounting Standards Board (GASB)** – The organization that predominantly establishes GAAP for governmental entities such as PASSHE.~~

~~**Single or A-133 Audit** – The audit required by the Federal Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (OMB Circular A-133), of entities that expend federal funds. The Single Audit encompasses both financial and compliance components.~~

C. Procedures

- ~~1. The Office of the Chancellor, in consultation with the universities, shall conduct a competitive procurement to select an independent certified public accounting firm to audit PASSHE's annual financial activity for the fiscal year beginning July 1 and ending June 30.~~
- ~~2. The financial statements of PASSHE, each university, and the Office of the Chancellor shall be prepared in accordance with GAAP, as prescribed by GASB, and any accounting guidance issued by the Office of the Chancellor in the form of manuals, standards, procedures, guidelines, etc.~~
- ~~3. To ensure an efficient financial statement consolidation process and audit, the universities shall prepare and submit their respective annual financial statements in the format and timeline prescribed by the Office of the Chancellor.~~
- ~~4. The independent auditor shall conduct annual audits of PASSHE's consolidated financial statements as well as the financial statements of each university and the Office of the Chancellor. The audits shall be conducted in accordance with auditing standards generally accepted in the United States of America.~~
- ~~5. In accordance with GASB, the universities shall provide the separately audited financial statements of all discretely presented component units to the independent auditors and the Office of the Chancellor in a timely manner.~~
- ~~6. The independent auditor shall conduct a consolidated Single Audit of federal funds, as prescribed by OMB Circular A-133 and in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and OMB Circular A-133.~~
- ~~7. To ensure an efficient and timely Single Audit consolidation process and audit, each university shall prepare a Schedule of Expenditures of Federal Awards (SEFA) in the format and timeline prescribed by the Office of the Chancellor. Further, the universities shall participate in PASSHE's rotation schedule for the audit of student financial aid, which provides that each university's student financial aid programs are audited only once every three years, unless the independent auditor's assessment of the audit risk of a university determines that a more frequent audit is required for that university.~~
- ~~8. The results of all audits shall be submitted to the Office of the Chancellor and presented to the Board of Governors Audit Committee, Finance Committee, or equivalent.~~



PA State System of Higher Education Board of Governors

Effective: October 17, 1991

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Policy 1991-06-A: State System Audit Policy **Clean version with proposed edits incorporated**

See Also:

Adopted: October 17, 1991

Amended: July 12, 2001; October 12, 2006;
July 16, 2009; April 7, 2016, and July 20, 2023

I. Audit and Compliance Committee

A. Purpose

The primary mission of the Audit and Compliance Committee shall be to assist the Board of Governors in exercising its due care and diligence in discharging System-wide oversight and monitoring responsibilities. An important objective of the Audit and Compliance Committee shall be to support and oversee the activities of the internal audit function (Internal Audit) and risk assessment, maximizing the function's operations and value across the State System.

B. Policy

1. The Audit and Compliance Committee shall assist the Board of Governors in discharging its System-wide oversight and monitoring responsibilities by:
 - a. Promoting the development of an effective and continuously improving control environment to achieve the System's goals and objectives.
 - b. Overseeing the System's internal control environment and risk assessment practices.
 - c. Serving as a voice on the Board of Governors and other standing committees by relaying an audit perspective when related issues are brought before the committees.
 - d. Providing a direct channel of communications to the Board of Governors for the System's independent public accounting firm and Internal Audit.
2. The Audit and Compliance Committee shall review and approve the scope of the System's internal audit annual work plan.

II. Internal Audit Function and Risk Assessment

A. Purpose

To provide policy for establishment and support of a System internal audit function and risk assessment, and pursuant to a resolution exercising the fiduciary responsibilities of the Board of Governors (Board) for efficient, effective, and financially sustainable universities (date/reference). In carrying out their duties and responsibilities, members of Internal Audit shall have full, free, and unrestricted access to all System records, property, and personnel except where such access may be limited or barred by federal or state law, or the provisions of a relevant collective bargaining agreement.

B. Policy

1. Internal Audit shall report functionally to the Audit and Compliance Committee of the Board of Governors and administratively to the System's Chancellor through the Chief Financial Officer to achieve organizational independence. Internal Audit will have unrestricted access to and communicate and interact directly with the Audit and Compliance Committee.
2. The internal audit function shall be independent and will remain free from interference by any element in the institution, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independence and objectivity. Internal Audit will confirm to the board, at least annually, the organizational independence of the internal audit function.
3. Internal Audit will keep the Audit and Compliance Committee, chancellor, and necessary university executive leadership informed of performance relative to its annual work plan and unusual transactions or other matters of significance identified through the course of internal audit work.
4. Requests for assistance of Internal Audit to conduct special activities can be made at the university and System level at any time.
5. Internal Audit conducts their internal audit services in accordance with professional standards and frameworks.
6. The scope of work of Internal Audit shall encompass all System operations, including affiliated organizations where appropriate, academic instruction by the faculty excepted.
7. Internal Audit, with strict accountability for confidentiality and safeguarding of records and information, is authorized full, free, and unrestricted access to all system records, property, and personnel except where such access may be limited or barred by federal or state law, legal privilege, or the provisions of a relevant collective bargaining agreement.
8. Internal Audit will handle all information obtained during a review in the same prudent manner as the original custodian of the information. Internal audit respects the value and ownership of information received and shall not disclose information without appropriate authority unless there is a legal or professional obligation to do so.
9. The System's internal audit function shall subscribe to the mandatory Code of Ethics established by The Institute of Internal Auditors, as well as adhere to governing policies of the System; the applicable policies of the Commonwealth of Pennsylvania, as well as applicable laws such as the Public Official and Employee Ethics Act.
10. Internal Audit fees shall be funded as a Systemwide Program as outlined in Policy 1984-06- A: Allocation Formula.

III. Implementation

1. Procedure/Standards and guidelines will be issued to address operational details and implementation of this policy.

GOVERNANCE & LEADERSHIP COMMITTEE



Pennsylvania's
STATE SYSTEM
of Higher Education

**Board of Governors Meeting
Governance and Leadership Committee
July 20, 2023**

SUBJECT: Student Trustee Appointment

UNIVERSITIES AFFECTED: Commonwealth University of Pennsylvania Lock Haven

BACKGROUND: Act 50 of 2020 empowers the Board of Governors to make the appointment of students to serve on the Councils of Trustees for universities with the State System. For years, the universities have utilized a thorough and inclusive recruiting process to identify and vet potential candidates to make a recommendation for student trustee appointments. The robust nature of the local process has been retained and has been updated to reflect that the final appointment action will be taken by the Board of Governors.

Based on input from the University President and the Office of the Chancellor, the Committee recommends the following action.

MOTION: That the Board of Governors hereby appoints Tynesha Holloway to the Commonwealth University of Pennsylvania Lock Haven Council of Trustees.

Supporting Documents Included: Resume of candidate

Other Supporting Documents Available: [Statutes](#) providing Board authority

Reviewed by: University President; Office of the Chancellor

Prepared by: Randy A. Goin Jr.

Contact: rgoin@passhe.edu

Application for Student Trustee

Commonwealth University of Pennsylvania

Lock Haven Campus

Eligibility Requirements per Section 20-2008-A of Act 188

1. Full-time undergraduate or graduate student.
2. In good academic standing.
3. Appointees must be willing to submit to standard criminal background checks in fulfillment of Board Policy 2014-01-A: Protection of Minors.

BIOGRAPHICAL INFORMATION

Please type all information and attach essay responses.

Student ID # [REDACTED]

Name

Last	Holloway	First	Tynesha	Middle Initial	D
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University Address 401 n Fairview Street

LockHaven, Pa 17745

Home Address [REDACTED] (street)

City _____ County _____ State Pa Zip 1 _____

Phone [REDACTED] Email [REDACTED]

Date of Birth 7/ Date of High School Graduation 20

Name of High School Preparatory Charter High School

Address of High School 1928 Point Breeze Ave

Philadelphia, Pa 19145

Number of Credits as of May 2023

Academic Standing Junior

(Freshman, Sophomore, Junior)

University Major Criminal Justice

Degree	Bachelor of Science	Expected Graduation Date	May 2024
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List any experiences, activities, or positions held including a short description of involvement and/or responsibilities for each. You may include appropriate high school activities. Use additional paper if necessary.

I am currently the President of Black Student Union(BSU). I am in charge of coming up with club programs and consulting with my officer on those programs. I have meeting with my club advisors to debrief on what is needed.

I am a member of the Multicultural Advisory and Activities Council (MAAC) and the Social Media Coordinator of MAAC. i am in charge of running the social media page for the club and keeping our university uptodate with our future programs.

I am apart of the Trio SSS program here on campus.

I am a member of Sophisticated Ladies

I am a member of the Commonwealth University Senate for First Year Experience. I take part in coming up with idea to help make first year college students time on campus worthwhile.

In high school I was apart of the Student Council and the Step Team

ESSAY QUESTIONS

Please prepare your response to each essay question using a separate page for each and attach to application; i.e., answer to question one shall be on a separate page from those for question two, etc.

1. Why do you want to be a trustee at Commonwealth University and what qualities and skills do you possess that will make positive contributions to the university's Council of Trustees?
2. Discuss briefly your perceptions of the strengths and weaknesses of the university.
3. Briefly describe your most important extracurricular activity in high school or college and why.

Please list two campus references and attach two letters of recommendation.

1. Albert Jones
2. Suzanne Williamson

1. Why do you want to be a trustee at Commonwealth University and what qualities and skills do you possess that will make positive contributions to the university's Council of Trustees?
 - a. I want to be a student trustee for Commonwealth University because I know with strong conviction I can make a difference on my campus. I have a voice that connects with student groups who feel like they don't have an outlet to voice their concerns. It is important to me that all students feel like they are represented in all aspects of their college experience. I present the skills necessary to be able to do this job to the best of my ability. Most importantly, I possess the skill of not being afraid to speak up. I understand that there are important figures that are on the Council and that doesn't stop me from speaking the truth in a professional manner. Other skills include event planning and taking on leadership roles.
2. Discuss briefly your perceptions of the strengths and weaknesses of the university
 - a. It's important for a University to recognize its strengths and weaknesses. Our strengths are academics. Allowing students to have small class sizes and form relationships with professors is vital. Another strength would be our faculty. They care about students' goals and would go the extra mile for us. On the other hand, we also have weaknesses as well. One weakness is the sense of belonging to minority students. Yes, the people here are great, but it takes more than people being great for students to want to stay enrolled in Lock Haven. There needs to be more studies on other cultures than the ones we're used to. Bringing minority students on campus isn't an issue, it's keeping them. Football and Basketball are

the two biggest minority groups on campus. Outside of them, there aren't that many minority students. We need to attract more minority students outside of athletics and provide the resources that make them want to stay. Resources such as a good experience, culturally appropriate aspects, and a sense of family.

Another weakness is student engagement. We have a lot of introverts who don't know how to come out of their shell. We have to come up with a way to reach students more effectively. For example, a text announcement service. Students don't check their emails as much as they should, but if they're still on their phones, we can reach them via text. Another way students can be reached is by a "Door to Door approach." Instead of hiring student workers to just sit behind a desk and do homework, we tell them to go connect with students about events coming up on campus. Also, there's a problem with different clubs doing the same events. As a trustee, I can help solve that problem. I can be a part of meetings with SGA and communicate with club leaders about events on campus.

3. Briefly describe your most important extracurricular activity in high school or college and why.
 - a. Over the course of my college career, I've been in numerous organizations on campus. Those experiences allowed me to connect with different student groups on campus, leaders as well. I volunteer with the Haven Cupboard. The role of the Haven cupboard is to provide food and essentials for students on and off campus. I help organize and distribute resources for students.
 - b. I am also the President for the Black Student Union which is the most active club on campus. Students on campus engage with events BSU does the most. I

organize events such as black history month celebration, Field Day, Open mic night at a local restaurant in town, and created one of the biggest on campus events in recent years “Lock Litty.” That event brought 350 students outside their dorms on a Thursday night to participate in a student activity event. Also as president of BSU, we hosted a Field Day on campus last spring that had 450 students and community members engaged as well.

4. With that being said, I can say with strong conviction that I can do the job as student trustee to the best of my ability. I am a leader on campus who is not afraid to stand up and be the voice for students who need one. I want to be a positive influence as a trustee and make an impact for Lock Haven University.

Tynesha Holloway



Objective: I am seeking a job position with a company which will require me to utilize my skills and the experiences that I have enlighten the company's success

EDUCATION

Lock Haven University of Pennsylvania 401 N Fairview St Lock Haven, Pa 17745

Major: Criminal Justice

Anticipated Graduation: May,2024

Undergraduate Studies

Preparatory Charter High School 1928 Point Breeze Ave Philadelphia, Pa 19145

Diploma June,2020

SKILLS

Organizing events, Communication, Customer service, Leadership, Time management, Computer skills, Problem solving, Bystander Training
Certificated

WORK EXPERIENCE

Shift Supervisor , Rite Aid 704-20 East Passyunk Street

Philadelphia,Pa 19147

May,2021-Present

- Handling money on register and safe
- Helping customers find store items
- Overnight stocking of store product
- Assisting customers need be
- Opening and closing store

Sales Associate, Five Below 701 Market Street

Philadelphia,Pa 19106

August,2019-June,2021

- Greeting customers as they come in store
- Help customers find products they are looking for in the store
- Cleaning around store areas
- Handling money on register and Self checkout
- Assisting customers on self checkout when needed

Crew Member, Wendy's 1101 Walnut Street

Philadelphia,Pa 19107

May,2018-July,2019

Full Time / Part Time

- Handling money on register
- Cleaning store areas when needed.
- Preparing orders for customers
- Prepping food items

VOLUNTEER EXPERIENCE

Student Volunteer, Lock Haven University Haven Cupboard, Room J207 East
Campus Lock Haven, Pa 17745

March 2023-Present

- Helping process and pack food orders
- Filling out paperwork for new customers
- Servicing the lock haven student community

Assistant, City Of Philadelphia: Register of Wills Marriage License Bureau
Room 415 City Hall Philadelphia, PA 19107.

September,2017-June,2019

- I would file paperwork in a particular folder and then sill them away in designed file cabinets.
- Direct customers through their marriage licence applications
- Stamp letters and deliver letters to mail room

Child Tutor, Friends of Walnut Street West Library 201 N 40th street
Philadelphia, Pa 19104

March,2018-June,2018 ,

- I worked with grade level k-1
- I would help the children with their homework
- I would look over work to see what the children at right or wrong

Teacher/Classroom Assistant, Christopher Columbus Charter School 916
Christian St Philadelphia, Pa 19147

September,2016-June,2017,

- I worked with 1st grade children
- I would grade the children assignments
- Noted down who receive an “O,S,N” in behavior for the day
- Read to children when asked of me

Activites

College:

President- Black Student Union January,2023-Present

Club Member- Sophisticated Ladies January 2023-Present

Social Media -Coordinator/Mentor-MAAC March,2022- Present

Club Member/Treasure-Black Student Union January,2022- December 2022

Trio Student Support Services August,2020- Present

Highschool: Student Council September,2019-June,2020,

Step team September,2016- June,2018

Albert W. Jones
Chief Diversity, Equity and Inclusion Officer
Commonwealth University of PA
Ulmer Hall – Lock Haven University
Lock Haven, Pa 17745

April 2023

To Whom It May Concern:

It is my pleasure to write this letter of recommendation for Ms. Tynesha Holloway in support of her application for student trustee on the Commonwealth University Council of Trustees. Tynesha is a true leader and responsible individual. During my time of knowing Tynesha, she has always exhibited exceptional conduct as an individual and is a wonderful role model. I have interacted with people from all walks of life including Tynesha, and I have found that she is an individual of high caliber and strong work ethic when comparing her to others at this point in their life.

Tynesha is very inquisitive and seeks to learn from every experience and opportunity. She is even-tempered and levelheaded regardless of surrounding situations and looks for ways to best utilize her resources to support positive outcomes for all involved. Tynesha thinks before she speaks and has always been open and accepting to diverse perspectives and backgrounds. I have personally seen Tynesha work well with others and she finds ways to positively lift others up in times of need or encouragement. Tynesha has a great sense of closure and tends to complete any project she starts, no matter the obstacles.

If provided an opportunity to serve, I have no doubt Tynesha will be value added to the Council of Trustees and steward Commonwealth University on the continued path to success. My recommendation of Ms. Tynesha Holloway is without reservation.

Sincerely,



Albert W. Jones

ajones@commonwealthu.edu

Ph: 570-484-2015

April 25, 2023

Dear Members of the Student Trustee Search Committee,

I am writing to highly recommend Tynesha Holloway for the position of student trustee for the Commonwealth University Council of Trustees – Lock Haven campus.

I recently had the opportunity to observe Ms. Holloway at Lock Haven during a student-led feedback session and was impressed with her demonstrated leadership of encouraging fellow students to make the most of their education at Commonwealth University – Lock Haven. During the session, Ms. Holloway directly and passionately engaged with fellow students to address concerns regarding individual student experiences and showed an incredible amount of maturity and pragmatism in proposing thoughtful and innovative solutions to the concerns voiced.

As part of my outreach to Ms. Holloway to encourage her to apply for this position, I had an opportunity to discuss her reasons for being interested in serving as a trustee and what her perception of success in that role would look like. Her recognition that her ability to represent multiple student perspectives and provide a voice for those students was an impressive recognition of the responsibility involved in undertaking this position.

Ms. Holloway has a genuine commitment to criminal justice and aspires to become a probation and parole officer in Philadelphia and make a positive impact in her community following graduation. Her involvement in numerous activities on campus, including serving as the BSU President, demonstrates her sincere interest in promoting the mission and values of the university and improving the student experience at Lock Haven and elsewhere at Commonwealth University. Ms. Holloway's enthusiasm, drive, and dedication to Lock Haven and its students will provide invaluable contributions to the Council of Trustees and her role on the Council will help Commonwealth University succeed in meeting its mission to provide an affordable and high-quality education to its students.

If you require any further information or have any questions, please do not hesitate to contact me. Thank you for considering Tynesha Holloway for the student trustee position. I highly recommend her and believe she will be a respected and valuable member of the Council of Trustees.

Sincerely,



Suzanne C. Williamson
Chief of Staff and Vice President for University Affairs
Commonwealth University of Pennsylvania

STUDENT SUCCESS COMMITTEE



Pennsylvania's
STATE SYSTEM
of Higher Education

**Board of Governors
Student Success Committee**

July 20, 2023

SUBJECT: Revisions to Board of Governors Policy 1986-04-A: *Program Review*

UNIVERSITIES AFFECTED: All

BACKGROUND: The Board temporarily suspended Policy 1986-04-A: *Program Review* at its October 2019 meeting with intent to review it and either rescind or revise to make it more useful to departments, universities, the system office, and the Board. In the intervening years, the COVID pandemic and focused work on university sustainability and integrations meant that work on the program review policy was deferred. In 2022-23, it was taken back up by Chief Academic Officers with input from Faculty Council, Student Affairs, and student services practitioners.

The purposes of program reviews are, at the university level, to foster assessment and continuous improvement and to inform planning and decision making; at the system level it provides visibility into critical university operations and assurance to the Board that academic programs and student services are being assessed against multiple measures and improved in a systematic manner. A five-year review of academic programs is required by the Pennsylvania school code (22 PA Code 31.51 Academic Program Audit); it leverages special program accreditation and supports institutional accreditation.

To be more useful at all levels, five-year reviews of academic programs needed to be revised from reporting and explaining a dump of data to a standards-based approach that would utilize data to inform meaningful assessments and reflection on “quality” against a set of recognized standards, practices, and benchmarks. The policy defines the approach; the Office of the Chancellor will lead consultative development of templates for academic programs and student services that will establish standards and thresholds, which will comprise an associated Procedure & Standard.

Revisions include:

- General Education as an academic program to be reviewed;
- Mandatory review and reporting up for Enrollment Management units;
- Deletion of Academic Program Sustainability from Section A Definitions and addition of “quantitative thresholds for academic programs” to Section C Guidelines.

MOTION: That the Board of Governors approves revisions to Board of Governors Policy 1986-04-A: *Program Review* as marked up.

Supporting Documents Included: Policy with mark-up

Other Supporting Documents Available: N/A

Reviewed by: David Maser, Chair, Student Success Committee

Prepared by: Donna Wilson

Contact: DWilson@passhe.edu



PA State System of Higher Education Board of Governors

Effective: July 16, 1986

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Policy 1986-04-A: *Program Review*

Adopted: July 15, 1986

Amended: October 17, 1991, October 9, 2003,
October 6, 2016, and July 20, 2023

Background: Periodic program review is a best practice in American higher education that involves stakeholders in the continuous improvement of existing academic programs and programs in support of the student experience. Such review includes an analysis of past performance and projected demand and industry direction that is used to inform present and future directions and decision-making. The review process must be integrated with strategic-planning and budgeting, processes, with regional institutional and specialized accreditation processes, and with student-learning outcomes assessment. Criteria for that direct the implementation of this policy can be found in the System Procedure/Standard for review of academic programs and programs in support of the student experience.

A. Definitions

1. Academic Programs. All programs defined in Board of Governor's Policy 1985-01-A: Requirements for Initiation or Change of Credit-Based Academic Programs. This includes all academic degree programs (academic majors) along with all any associated tracks/concentrations, academic minors, and certificates, and the general education program.
2. Programs in support of the Student Experience. A broad network of programs and services delivered either in-person or virtually that directly contributes to students' educational experience and fosters student success. Examples include, and are not limited to, of such programs may include the academic advising processes, library, student and residence life, tutoring, enrollment services (e.g., undergraduate admissions, graduate admissions, financial aid, bursar, and registrar), public safety, athletics, career services, disability services, wellness services, and diversity equity and inclusion (DEI). ~~judicial-affairs, financial-aid, counseling, athletics, residence life, Greek life, student union and student activities, health and wellness programs, career services, academic support services, diversity and inclusion programs, tutoring, advising, and disability services.~~
3. ~~Academic Program Sustainability. A component of a comprehensive assessment process that uses quantitative completion data to assess the current and future sustainability of an academic program.~~

4. 3. Modified Review. Academic departments with ~~A modified review is for academic~~ programs subject to specialized accreditation may request to submit the most recent program accreditation report as a primary document for the *five-year academic program review*. Requests must be made in writing and are at the discretion of the President (or designee). Approval may be contingent upon the amount of time elapsed since the tendering of the most recent program accreditation report. The submission for modified review ~~The modified review~~ shall include the complete accreditation report, and ~~the~~ accreditor's recommendations/suggestions. ~~and any~~ Additional criteria and information, including centrality to university mission and contribution to university program array metrics not addressed in the accreditation review process, may be required at the discretion of the President (or designee) or Chancellor (or designee) on a case-by-case basis. Guidance on modified review will be detailed in the System Procedure/Standard for review of academic programs and programs in support of the student experience. ~~for the five-year academic program review which were not addressed in the accreditation review process.~~

B. Purposes of Program Review

1. To assure deliberate and continuous attention to enhancement of the quality and to assess mission centrality of academic *programs* and programs in support of the student experience within State System universities.
2. To ensure compliance with ~~regional~~ institutional accreditation standards related to educational effectiveness *and supporting the student experience*. ~~Middle States Commission on Higher Education requires assessment of student learning and achievement for all programs, all levels, and regardless of instructional modality.~~
3. ~~To ensure compliance with regional institutional accreditation standards related to supporting the student experience. Middle States Commission on Higher Education requires assessment of all programs and services that enhance the quality of the learning environment, contribute to the educational experience, and foster student success.~~
4. 3. To analyze and employ quantitative and qualitative data *in the review of academic programs*, including student ~~learning~~ outcomes, enrollment, cost, workforce demand and outcomes *academic program sustainability*, contribution to university program array, and program effectiveness, ~~related to individual programs which are aligned with university and State System goals and priorities and contribute to university and State System planning and sustainability. will contribute to both university and State System planning.~~
5. 4. To provide the chancellor and Board of Governors, as well as the council of trustees of each university, with assurance that university programs *and student services* are being assessed in a systematic fashion and that plans for making continuous improvements are developed, implemented, and communicated.

C. Guidelines for Program Review

4. Cycle. All university *academic programs and all enrollment management units*

- (including minimally marketing and recruitment, admissions, financial aid, and institutional aid processes) ~~not subject to specialized accreditation~~ shall be evaluated at least once every five years; when deemed necessary, the university president (or designee) or ~~the~~ Chancellor (or designee) may require a shorter review interval for given programs. Additional programs in support of the student experience may be designated by the President (or designee) or Chancellor (or designee) for regular five-year review or *ad hoc* review. At least once every 10 years (or more frequently at the University's discretion), each program ~~not subject to specialized accreditation~~ shall be reviewed by an appropriate external evaluator. ~~Programs with specialized accreditation will conduct a modified program review as outlined in the System Procedure/Standard for academic program review and programs in support of the student experience. Exceptions to the modified review will be given on a case-by-case basis by approval from the Chancellor or designee.~~
2. ~~Criteria for Full Review of Academic Programs.~~ In consultation with State System universities, the Office of the Chancellor shall establish standards-based criteria for ~~the~~ academic program reviews and reviews of programs in support of the student experience. Moreover, in consultation with State System universities, the Office of the Chancellor will establish quantitative thresholds for academic programs; programs not meeting those thresholds may be subject to additional scrutiny and termination. These criteria will be detailed in the System Procedure/Standard for review of academic programs ~~review~~ and programs in support of the student experience.
 3. ~~Criteria for Full Review of Programs in Support of the Student Experience. Review criteria for reviews of programs in support of the student experience will be determined by the individual university. These criteria shall support the university continuous improvement efforts and Middle States accreditation requirements.~~

D. Reporting

1. ~~The president or designee shall keep the council of trustees apprised of program reviews and their outcomes.~~ Academic program reviews and program accreditation reports and reviews of enrollment management units are to be submitted to the Office of Academic and Student Affairs in the Office of the Chancellor by the university provost or another responsible vice president.
2. The Office of Academic and Student Affairs within the Office of the Chancellor will develop an appropriate procedure and timeline for periodic reporting to the Board of Governors.
3. The President or designee shall keep the council of trustees apprised of program reviews and their outcomes.

E. Implementation

~~Immediately for Programs in Support of the Student Experience. Academic program reviews due August 15, 2017 will continue to use previously established criteria. Academic program reviews due August 15, 2018 will be required to use the new processes and criteria established in a System Standard/Procedure for Program Review. This policy is effective for five-year program reviews due in summer of 2025.~~

**Board of Governors Meeting
Student Success Committee
July 20, 2023**

SUBJECT: Revisions to Board of Governors Policy 1993-01: *A General Education*

UNIVERSITIES AFFECTED: All

BACKGROUND: Policy 1993-01-A: *General Education* affirms the value of general education, aligns the policy with Middle States Commission on Higher Education general education standards, and provides guidance on the transfer of general education courses and programs. At its April, 2021 meeting, the Board endorsed a DEI Statement of Affirmation and at the April 2022 meeting a Diversity Action Framework. Both documents commit the State System and its universities to assure that curricula reflect human, societal, and intellectual diversity in order to prepare graduates to live, work, and serve in a diverse and inclusive world and, further, to assure that policies foster inclusive communities. Moreover, in 2023 the State System universities' institutional accreditor, Middle States Commission on Higher Education, adopted a revised set of Standards for Accreditation with a view to embedding a diversity and inclusion lens across all accreditation standards and criteria. The proposed revisions to Policy 1993-01-A align the General Education policy explicitly with the Statement of Affirmation and with Middle States standards to integrate diversity and inclusion into the curricular framework and the broad and lifelong learning outcomes of General Education.

Revisions include:

- Additions to section A, Purposes of the Policy;
- Reorganization of material to clarify what is included as policy;
- Deletion of "employability skills" as dated and redundant to essential skills gained through General Education;
- Replacement of "Liberal Education" with education or foundation in the liberal arts and sciences. Proposed revisions align General Education outcomes with those traditionally associated with "Liberal Education" but focus the policy statement on the curricular framework and assessment of outcomes in the State System.

MOTION: That the Board of Governors approves revisions to Board of Governors Policy 1993-01 A: *General Education* as marked up.

Supporting Documents Included: Policy with mark-up

Other Supporting Documents Available: N/A

Reviewed by: David Maser, Chair, Student Success Committee

Prepared by: Donna Wilson

Contact: DWilson@passhe.edu



PA State System of Higher Education Board of Governors

Effective: January 21, 1993

Page 1 of 4

Policy 1993-01-A: General Education at State System of Higher Education Universities

Adopted: January 21, 1993

Amended: October 6, 2016, October 14, 2021,
and July 20, 2023

A. Purposes of the Policy

1. To reaffirm the significance and value of General Education and to strengthen its assessment through measurable outcomes;
2. To establish a common General Education framework that will support all students in acquiring breadth of essential knowledge and skills that reflect and prepare them to live and work in a diverse and interdependent world;
3. To align General Education in the State System with the Board Diversity, Equity, and Inclusion Statement of Affirmation;
4. To align the Board of Governors policy with institutional accreditation standards related to General Education and assessment of student General Education learning outcomes.

B. Introduction

~~General Education is aligned with the liberal education approach to learning and it is the part of a university undergraduate curriculum that is shared by all students. It ensures that students acquire breadth of knowledge and provides a basis for developing essential learning outcomes. Learning across traditions and disciplines fosters integration of knowledge and develops skills in diversity, civic and cultural awareness, communication, problem solving, and critical analysis. Within General Education, student learning outcomes consist less in mastery of disciplinary content than in the acquisition of the skills, values, awareness, understanding, perspective and appreciation that are the foundation for informed citizenship in a democratic society, innovation, and career readiness. General Education is also a foundational component of employability skills.~~

C. B. Definitions

Directed General Education (Prescribed General Education): General Education courses that are required for the major are considered “directed general education” or “prescribed general education.” Therefore, directed (prescribed) General Education courses are counted in the General Education requirements/credits, not in the major or cognate requirements.

~~Employability Skills are the foundational academic, practical and interpersonal skills required across industries and career paths.~~

General Education is a ~~subset of Liberal Education~~, coherent set of requirements in the liberal arts and sciences which that is shared by all students at a ~~particular~~ university.

~~Liberal Education in the Liberal Arts and Sciences~~ is a component of Liberal Education, “an approach to college learning that empowers individuals and prepares them to deal with complexity, diversity and change. This approach emphasizes broad knowledge of the wider world (e.g. science, culture, and society) as well as in depth achievement in a specific field of interest. It helps students develop a sense of social responsibility; strong intellectual and practical skills that span all major fields of study, such as communication, analytical, and problem-solving skills; and the demonstrated ability to apply knowledge and skills in real world settings” (AAC&U LEAP).

Pa Public School Code, 24 Section 20-2002-C refers to legislation that directs Pennsylvania public institutions of higher education to accept for transfer foundation courses and accept with full junior standing the Associate of Arts or the Associate of Science degree into parallel baccalaureate programs.

P2P refers to the legislative Pennsylvania statewide program to program articulation agreements that provide clear transfer pathways into a State System university for community college students who have selected a transferable major program. Universities may designate additional programs as precursor or parallel programs by reason of articulation agreement or similarity in disciplinary content or student outcomes, as indicated by 4-digit CIP code.

Pa. Statewide Transfer Credit Framework refers to the 30 credit hours of foundational liberal arts and sciences in 6 categories of study which was developed to implement the legislation (Pa Public School Code, 24 Section 20-2002-C) related to transfer among public institutions of higher education.

Prior Learning refers to students’ learning that occurred prior to enrollment at a State System university. Prior learning includes credits earned elsewhere as well as the assessment of skills, knowledge, and competencies acquired outside the classroom against a set of standards or learning outcomes. Prior learning may include documented learning such as (but not limited to) Advanced Placement, International Baccalaureate, DANTES, CLEP, military experience, and credit by exam.

~~D.~~

~~E.~~ C. Statement of Policy

1. Overview

General Education is aligned with a liberal arts and sciences foundation for learning and it is the part of a university undergraduate curriculum that is shared by all students. It ensures that students acquire breadth of knowledge and provides a basis for developing essential learning outcomes that allow students to pursue lifelong achievement. General Education student learning outcomes consist in the acquisition of foundational knowledge, transferable skills, habits of mind, capacity for creativity and innovation, and understanding of and empathy for self and others that are the foundation for informed participation in a democratic society and a lifetime of careers.

2. Compliance with Middle States Commission on Higher Education and University responsibilities

Middle States Commission on Higher Education (MSCHE) provides the common ground for General Education and its assessment for all State System universities. ~~The State System of Higher Education institutions-universities~~ will meet the Middle States Requirements and Standards that relate to General Education, which include (from Standard III, 2023): ~~—The current standards are listed below:~~

~~As institutions that offer undergraduate education, each will provide a general education program either free standing or integrated into academic disciplines that:~~

- a. ~~offers a~~ General Education curriculum of sufficient scope to draw students into new areas of intellectual experience, expanding their cultural and global awareness and cultural sensitivity, and preparing them to make well-reasoned judgements outside as well as within their academic field;
- b. ~~offers a~~ General Education curriculum designed so that students acquire and demonstrate ~~the~~ essential skills including at least: oral and written communication, scientific and quantitative reasoning, critical analysis and reasoning, technological competency, ~~and~~ information literacy
- c. ~~consistent with mission, the~~ General Education programs also includes ~~s-~~ the study of values, ethics, and diverse perspectives (~~MSCHE standard III~~).

State System universities may identify additional areas of General Education learning, consistent with their mission and in accordance with the provisions of this policy.

State System universities' General Education programs ~~With regard to assessment of student learning and achievement, an accredited institution~~ will have clearly stated General Education

learning outcomes that are aligned with the provisions of this policy and assessed in accordance with Middle States standards, which stipulate implementing and documenting educational goals; organized and systematic assessments conducted by faculty and/or appropriate professionals that (from Standard V, 2023):

- a. define meaningful curricular goals with defensible standards for evaluating whether students are achieving those goals; ~~the extent of student achievement of institutional and degree/program goals.~~
- b. ~~Institutions will~~ articulate how they prepare students in a manner consistent with their mission for successful careers, meaningful lives and where appropriate, further education. They should collect and provide data on the extent to which they are meeting these goals;
- c. ~~They will~~ support and sustain assessment of student achievement and communicate the results of this assessment to stakeholders and will use assessment results for improvement of educational effectiveness. ~~(MSCHE Standard V)~~

~~2. Within the institutional accreditation framework listed above, institutions will identify student learning outcomes. Consistent with their mission, institutions will design their general education programs and requirements to assure their students achieve the desired student learning outcomes. In addition to those student learning outcomes indicated by MSCHE, this policy enables system universities to identify additional learning outcomes.~~

E. 3. General Education Requirements

Every student who graduates from an undergraduate degree program will satisfy the General Education requirements through learning experiences at the university, course-based transfer, core to core transfer, prior learning, and/or demonstration of competency. General Education requirements at State System universities will be consistent with the requirements of the statewide Transfer Credit Framework.

Baccalaureate degrees. The BOG Policy 1990-06A: Academic Degrees requires a minimum of 40 General Education credits for a baccalaureate degree; the maximum shall not exceed 48 credits. The credit hours will be focused on competencies that are consistent with liberal arts and sciences learning outcomes. ~~General Education requirements will be consistent with the requirements of the statewide Transfer Credit Framework.~~

Professional bachelor's degrees such as the BFA, BM, BSN, BSW, BSEd, and BS in Business Administration identified in BOG policy 1990-06A are permitted to have General Education requirements specifically adapted to the profession but which must be consistent with the General Education competencies for all students.

Associate degrees. The BOG policy 1990-06A: Academic Degrees requires a minimum of 30 General Education credits for an Associate of Arts degree, 24 credits of General Education for an Associate of Science, and 21 for an Associate of Applied Science. The General Education requirements should be consistent with requirements of the statewide Transfer Credit Framework.

Associate degrees designed for transfer must be aligned with the requirements identified in the parallel P2P articulation agreements.

F. 4. Transfer

Middle States Commission on Higher Education standards (Standard IV) indicates that prior learning applicable to General Education will be recognized either through transfer of course credits or other transcribed equivalents.

The Board of Governors Student Transfer policy requires that State System institutions recognize the integrity, design, and validity of general education at other institutions with Council for Higher Education Accreditation (CHEA) recognized accreditation and **fully** accept general education coursework when comparable. General Education credits aligned with the PA Statewide Transfer Credit Framework will transfer toward the general education requirements at the receiving institution.

The following apply to students who matriculate at a State System institution after attending another institution(s) of higher education:

- Students who transfer to a State System institution from a postsecondary institution with CHEA-recognized accreditation with an Associate of Science or an Associate of Arts degree, or having completed general education requirements for a bachelor's degree, or for an Associate of Science or an Associate of Arts degree, shall have satisfied the general education requirements at the receiving university. Exceptions may be made for the following, provided that these exceptions do not extend the student's time to the degree:
 - (a) One signature general education course (up to 3 credits), if applicable;
 - (b) Any prescribed general education course required for the major, if not satisfactorily completed;
 - (c) General education overlays satisfied in advanced courses in the major.
- Undergraduate students who transfer into the State System of Higher Education from a postsecondary institution with CHEA-recognized accreditation with an Associate of Arts or an Associate of Science degree in a parallel academic program or as part of the P2P Statewide agreements will be awarded full junior standing and shall not be required to satisfactorily complete more than 60 credits to earn a 120-credit baccalaureate degree in a P2P or other parallel program, regardless of the courses they took to earn the Associate degree; they will have the same requirements for admission to a particular academic program and for retention as students who began their education at a

State System university. Students transferring into a program with accreditation or licensing/certification standards may be required to take limited additional credits to meet those standards.

- Students who transfer into the State System of Higher Education with an Associate degree other than an Associate of Arts or Associate of Science will be expected to satisfy any remaining general education requirements.
- Students who matriculate at a State System institution without first earning an Associate of Science or Associate of Arts degree or completing general education requirements for an Associate of Science or Associate of Arts degree will be required to complete any remaining requirements of that institution's general education program. This does not apply to students who engage in "reverse transfer" by transferring their State System institution courses and credits back to a prior institution for the purpose of earning an Associate degree.

G. 5. Prior learning

In addition to transfer credits, students' learning may occur outside the college classroom. Students entering a State System institution who have met General Education student learning outcomes and competencies through mechanisms such as (but not limited to) Advanced Placement, International Baccalaureate, DANTES, CLEP, military experience, college-level competencies documented in portfolios and assessed against learning outcomes or standards, and credit by exam will have that learning transcribed.

All such learning will be indicated through transcription of academic credit or an alternative method to document learning.

H. D. ~~Implementation~~ Effective

This policy will become effective July 2024 ~~no later than start of Spring 2022.~~

UNIVERSITY SUCCESS COMMITTEE



Pennsylvania's
STATE SYSTEM
of Higher Education

**Board of Governors Meeting
University Success Committee
July 20, 2023**

SUBJECT: Fiscal Year 2023-24 Educational & General Appropriation Allocation

UNIVERSITIES AFFECTED: All

BACKGROUND: 24 P.S. Section 20-2002-A(b) and Board of Governors' Policy 1984-06-A: *Allocation Formula* provides for the Educational and General (E&G) appropriation 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.

In June 2022, the Board of Governors approved revisions to the policy that distributes PASSHE's state appropriations to the universities based on two components: core operations and enrollment. The core operations portion provides funding to cover expenses associated with running a university—regardless of the number of students, and is scaled to reflect a higher core funding component for universities with fewer students and a lower component for universities with higher enrollments, recognizing some economy of scale as well as balancing the enrollment-driven components of the formula.

The remainder of the formula is enrollment driven, recognizing PASSHE's mission to support all students. The enrollment component also layers additional funding in an additive manner to support student success around several categories: under-represented minority (URM) students, Pell eligible students, progress toward degree, and program level.

PASSHE is greatly appreciative of the General Assembly and Governor's support in the 2023-24 budget that upon enactment provides an appropriation increase of \$33.1 million (or 6%) funding the System's Educational and General appropriation for a total of \$585.6 million. Attachment 1 reflects the proposed FY 2023-24 appropriation allocation distribution to each university and funding requirements for Systemwide initiatives. Attachment 2 provides a brief overview of each Systemwide initiative for which appropriations are allocated. As established in the Allocation Formula Methodology procedure, one-time funds will be utilized for integrating universities transitioning to the new model as they achieve planned efficiencies.

MOTION: That the Board of Governors approve the allocation of funds from the System's fiscal year 2023-24 Educational and General appropriation, as reflected in Attachments 1 and 2.

Supporting Documents Included: Proposed FY 2023-24 E&G Appropriation Allocation (Attachment 1); Funding of Systemwide Initiatives from FY 2023-24 E&G Appropriation (Attachment 2)

Other Supporting Documents Available: FY 2023-24 Appropriation Request; Commonwealth FY 2023-24 Spending Plan; Board of Governors' Policy 1984-06-A: *Allocation Formula*; Procedure/Standard Number 2022-55 Allocation Formula Methodology

Reviewed by: Executive Leadership Group

Prepared by: Molly M. Mercer

Contact: mmercerc@passhe.edu

Attachment 1

Pennsylvania's State System of Higher Education FY 2023-24 Educational and General (E&G) Appropriation Allocation

	FY 2022-23 Appropriation, As Approved July 21, 2022	Proposed FY 2023-24 Appropriation
E&G Appropriation	\$552,470,000	\$585,618,000
Off-the-Top Systemwide Initiatives:		
Office of the Chancellor	\$2,762,000	\$2,928,000
Internal Audit	400,000	400,000
Faculty Professional Development ¹	300,000	0
Chincoteague Bay Field Station	882,300	880,550
Strategic Initiatives	1,100,000	1,619,339
System Reserve	535,031	151,442
Subtotal, Systemwide Initiatives	\$5,979,331	\$5,979,331
University Allocation (see below)	\$546,490,669	\$579,638,669
 University Allocations		
Cheyney	\$19,378,060	\$20,772,066
Commonwealth	84,635,284	88,426,567
East Stroudsburg	39,609,381	41,362,083
Indiana	56,895,233	59,388,623
Kutztown	46,434,501	50,002,413
Millersville	42,030,925	44,437,263
PennWest ²	87,300,931	89,443,889
Shippensburg	37,523,022	41,146,102
Slippery Rock	51,256,983	54,858,813
West Chester	81,426,349	89,800,850
Subtotal, Universities	\$546,490,669	\$579,638,669

¹ Faculty Professional Development Funds are provided based on the APSCUF Faculty collective bargaining agreement, which expired on June 30, 2023.

² PennWest has been assuming a total funding level of \$91.1M, in connection with the minimum guaranteed level of funding that would be supported for integrations (via SERS transition funds). This six percent increase in appropriations will result in a net increase of approximately \$0.2M, as compared to their original planning assumption.

Attachment 2

Pennsylvania's State System of Higher Education Funding of Systemwide Initiatives from Fiscal Year (FY) 2023-24 E&G Appropriation

Internal Audit.....\$400,000

The internal audit and risk assessment function oversees the structure and execution of an internal audit plan based on high-risk areas. This function operates as an out-sourced model with a focus on high-risk and value-added reviews. The FY 2023-24 funding is level compared to the prior year, which is down approximately 50 percent from historical levels.

Chincoteague Bay Field Station.....\$880,550

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 2023-24.

Strategic Initiatives.....\$1,619,339

The savings generated through the sale of the Dixon University Center and continued budgetary measures has again created savings that the Executive Leadership Group (ELG) can prioritize towards one-time funding for FY 2023-24 to selected key initiatives. Specific initiatives for the current fiscal year include funding for one-time core technology infrastructure upgrades supporting all universities and continued student and university success initiatives.

Replenishment of the System Reserve.....\$151,442

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 2023-24 is \$151,442. The amount to be replenished is net of interest earnings.

FY 2022-23 System Reserve Expenditures

Official Residence Renovation (SL)	\$50,000
Presidential Searches (EA and SL)	<u>103,758</u>
Total Projected FY 2022-23 Expenditures	\$153,758
Interest Earnings, net of fees and investment expenses	(50,818)
Adjustment for final actual expenditures in FY 2021-22	<u>48,502</u>
Total Amount to be Replenished	\$151,442

Anticipated FY 2023-24 System Reserve Expenditures

Official Residence Renovation (SL)	\$350,000
Presidential Evaluations (1)	25,000
Executive Coaching for New Presidents (EA and SL)	<u>40,000</u>
Total FY 2023-24 Expenditures	\$415,000

**Board of Governors Meeting
University Success Committee
July 20, 2023**

SUBJECT: Fiscal Year 2023-24 Preliminary Budget Approval

UNIVERSITIES AFFECTED: All

BACKGROUND: This item is reflective of the change to provide earlier visibility into university's multi-year plans as part of broader continuous improvements to Board policies. The budgetary information supports the Board of Governors' fiduciary responsibilities.

The budgetary information was submitted by the universities in June 2023 and, thus, includes several assumptions (appropriation and tuition) to be finalized as part of the July Board of Governor's meeting. As such, these materials reflect the preliminary FY 2023-24 university budgets. In accordance with Act 188 of 1982 and Board Policy 1993-03-A: *Budgetary Reporting and Review*, the Board of Governors will provide approval of the preliminary current year operating budgets (FY 2023-24).

Universities will finalize their budgets following the July Board actions on appropriation allocation and tuition, fall enrollment freeze data, and subsequent determinations of revenues and expenditures. This information will be presented to the Board of Governors for final approval in October 2023.

MOTION: That the Board of Governors approves the fiscal year 2023-24 preliminary annual operating budgets for State System universities and Office of the Chancellor, reflected in Attachment 1.

Supporting Documents Included: Attachment 1, Preliminary Unrestricted Budget and Projection Highlights

Other Supporting Documents Available: n/a

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Attachment 1

Preliminary Unrestricted Budget and Projection Highlights For Pennsylvania's State System of Higher Education Entities

As of July 20, 2023

This July board item is reflective of a change to provide earlier visibility into universities' multi-year plans, as part of broader continuous improvements to Board policies. The information supports the Board of Governors' fiduciary responsibilities. In accordance with Act 188 of 1982, the Board of Governors will provide preliminary approval of the current year operating budgets (FY 2023-24).

The budgetary information was submitted by the universities in June 2023 and includes several assumptions (appropriation and tuition) to be finalized as part of the July Board of Governor's meeting. For budgetary purposes, universities were instructed to assume a two percent increase in state appropriation, a zero percent increase in tuition, and a two percent increase in salary expenses due to ongoing collective bargaining negotiations.

Universities will be finalizing their budgets following the July Board actions on appropriation allocation and tuition, fall enrollment freeze data, and subsequent determinations of revenues and expenditures. The updated information will be presented to the Board of Governors for final approval at the October meeting.

Educational & General Highlights:

The preliminary 2023-24 Educational and General (E&G) budget for the System has a deficit of (\$36.9M). This is primarily driven by three universities. The 2024-25 E&G projections for the System reflect a deficit of (\$29.0M).

Revenue:

Tuition - Across the System, 2023-24 enrollment is anticipated to be down slightly, at a decrease of (1.9 percent), to 74,859 annualized student full-time equivalent (FTE). The revenue projections utilize an assumption that tuition rates will be held flat, resulting in overall tuition revenue for the System of \$709.7M, a decrease of (\$9.0M), or (1.3 percent), compared to the revised 2022-23 projections. Certain universities' local fees have been increased to address growing costs, and as such, the change in fee revenue is slightly less at a decrease of (\$1.2M), or (0.6 percent). Universities are projecting stable enrollment for 2024-25 compared to 2023-24, with a 0.5 percent increase, with the assumption that tuition rates are held flat for planning purposes.

Appropriation - The two percent increase in appropriation, used as a planning assumption, results an overall increase of \$11M in revenue for 2023-24. University budgets reflect the adjustments to the distribution of the appropriation from the updated state appropriation allocation formula calculations. In accordance with the procedure, the integrated universities maintained minimum appropriation levels consistent with their integration planning assumptions, supplemented with funds from the SERS savings.

Subsequent to the projections provided by universities in June, the state budget was finalized with a 6 percent increase in appropriation and \$65M allocated in FY 2022-23 to be directed towards Penn West debt relief. This adds an additional \$22.1M to revenue beyond the estimates in the preliminary budget. The by-university increases from June projections are shown in the chart on page 5, after distribution through the state appropriation allocation formula. The final 2023-24 budgets provided to the Board in the fall will incorporate these updated amounts and any corresponding university budget adjustments for both 2023-24 and 2024-25.

Other Revenue has fluctuated significantly in recent years, due to COVID relief and other one-time funding stemming from the pandemic. For 2023-24, other revenue is projected at \$124.4M, which is (\$38.6M), or (23.7 percent) less than 2022-23. This primarily reflects the tapering down of the one-time federal funds received in prior years. Fiscal year 2024-25 reflects even less use of one-time funds, with other revenue at \$112.2M, which is more consistent with typical, non-pandemic levels.

As a result, overall revenue in the 2023-24 preliminary budget is (\$37.8M) less than the current year projections, or (2.3 percent).

Expenses:

Fiscal year 2023-24 expenses are trending consistently with the prior year, growing 0.8 percent or \$12.1M higher over the prior year.

Personnel continues to be the largest expense element, at 72 percent of the budget, compared to 71 percent in the prior year. Please refer to the section of this document that outlines overall budget assumptions; in summary, due to the expiration of the collective bargaining agreements, universities assumed the general 2 percent salary/wage growth and further escalations in benefit rates, derived from third-party projection information.

E&G workforce FTE of 8,891 is relatively consistent with the prior year's revised projection of 8,807. This reflects maintaining the lower levels of workforce achieved through the sustainability work at many universities. Several universities are planning both faculty and non-faculty workforce reductions throughout the projection period. Excluding West Chester, the workforce is projected to decline a further (186) FTE, or (2.6 percent).

Given these trends and assumptions, personnel expenditures in the preliminary 2023-24 budget are increasing \$25.3M or 2.2 percent.

Fiscal 2024-25 workforce is anticipated to decline by (2.1 percent) from the prior year, associated with continued budget realignment efforts, paired with the rate assumptions, this results in a 0.5 percent increase in personnel costs.

E&G non-personnel expenses are declining slightly in fiscal 2023-24 and further in 2024-25, primarily as a result of the conclusion of one-time expenditures supported with pandemic-related funds and two successive years of reduced debt due to maturing bonds, but partially offset by growth in inflation.

The preliminary 2023-24 E&G budget deficit of (\$36.9M) and 2024-25 E&G projected deficit of (\$29.0M) are primarily driven from the shortfalls at Penn West University.

Auxiliary Highlights:

The preliminary **2023-24 Auxiliary** budget for the System has a **deficit of (\$21.3M)**. Similar to the unrestricted budget projection, the Auxiliary deficit position is primarily driven by two universities. The **2024-25 E&G** projections for the System reflect a **deficit of (\$22.4M)**. All other universities are balanced, project a surplus, or have deficits under (\$1.7M).

Revenue:

Overall Auxiliary revenue for 2023-24 is projected to be down (\$7.2M) or (2.2 percent) compared to the revised 2022-23 projections. This is driven primarily by Other Revenue declining compared to the prior year, which included one-time funds of \$11M. The core sources of auxiliary revenue—fees, housing, and dining—collectively are fairly stable year-over-year, at \$307.9M, an approximate 1 percent increase from the prior year.

Overall, projected Auxiliary revenue for fiscal year 2024-25 is relatively stable at \$326M, compared to \$322.9M in fiscal year 2023-24.

Expenses:

Auxiliary expenses are projected to increase 4.7 percent to \$330.7M for fiscal year 2023-24, reflecting growth in operating costs, which are the largest element of the auxiliary expenditure base. Debt service declined by \$2.7M, primarily attributed to IUP's early paydown of its dining-related bond, to better align their future auxiliary expenditures to revenue.

FY 2023-24 Comprehensive Planning Process (CPP) Projections Update
Pennsylvania's State System of Higher Education

UNRESTRICTED BUDGET (EDUCATIONAL AND GENERAL AND AUXILIARY)

Revenues	Preliminary for		Percent Change	FY 2024-25	Percent Change
	FY 2022-23	Approval FY 2023-24			
Tuition	\$718,768,788	\$709,741,352	-1.3%	\$714,551,970	0.7%
Fees	227,457,791	226,216,321	-0.5%	227,655,762	0.6%
State Appropriation	552,470,000	563,519,001	2.0%	574,789,379	2.0%
Auxiliary Sales	267,612,472	270,947,658	1.2%	273,921,125	1.1%
All Other Revenue	188,480,462	139,355,260	-26.1%	127,122,455	-8.8%
Total Revenues	\$1,954,789,512	\$1,909,779,592	-2.3%	\$1,918,040,691	0.4%
Expenditures					
Compensation Summary, Net of Anticipated Turnover:					
Salaries and Wages	\$825,038,251	\$838,716,994	1.7%	\$841,455,365	0.3%
Benefits	393,993,164	412,456,031	4.7%	416,451,566	1.0%
Subtotal, Compensation	\$1,219,031,416	\$1,251,173,025	2.6%	\$1,257,906,932	0.5%
Student Financial Aid	133,690,942	125,449,027	-6.2%	129,119,535	2.9%
Interest Expense	46,535,413	43,362,847	-6.8%	40,173,984	-7.4%
Other Services and Supplies	439,941,591	449,742,172	2.2%	447,302,041	-0.5%
Subtotal, Services and Supplies	\$620,167,946	\$618,554,046	-0.3%	\$616,595,561	-0.3%
Capital Expenditures	15,208,833	14,451,371	-5.0%	14,100,562	-2.4%
Debt Principal Payments	74,843,142	72,008,648	-3.8%	68,831,154	-4.4%
Total Expenditures	\$1,929,251,337	\$1,956,187,090	1.4%	\$1,957,434,208	0.1%
Revenues Less Expenditures	\$25,538,175	(\$46,407,497)		(\$39,393,517)	
Transfers Out To/(In From) Plant and Other Funds	53,927,637	38,112,010	-29.3%	37,894,416	-0.6%
Revenues Less Expenditures and Transfers	(\$28,389,462)	(\$84,519,507)		(\$77,287,933)	
Supplemental Resources					
Planned Use of Reserves for One-Time Needs/Strategic Initiatives	23,523,502	26,312,568	11.9%	25,980,103	-1.3%
Revenues and Supplemental Resources Less Expenditures & Transfers	(\$4,865,960)	(\$58,206,939)		(\$51,307,830)	
Total Unrestricted Net Assets, Estimated End of Year Balance	\$704,080,652	\$613,203,430	-12.9%	\$548,029,934	-10.6%
Total Unrestricted Cash, Estimated End of Year Balance	\$862,316,456	\$770,530,126	-10.6%	\$704,447,527	-8.6%
Annualized FTE Enrollment					
Undergraduate	65,666.81	64,497.09	-1.8%	64,634.65	0.2%
Graduate	10,640.55	10,361.94	-2.6%	10,580.60	2.1%
Total Annualized FTE Enrollment	76,307.36	74,859.02	-1.9%	75,215.25	0.5%
FTE of Budgeted Unrestricted Employees, Net of Turnover					
Faculty	4,129.21	4,114.34	-0.4%	4,018.51	-2.3%
Nonfaculty	5,157.08	5,286.08	2.5%	5,196.04	-1.7%
Total FTE of Budgeted Employees	9,286.28	9,400.41	1.2%	9,214.55	-2.0%

State Appropriation Allocation

The following chart reflects updated state appropriation allocation distributions. These amounts will be integrated into the universities' final budgets provided in October.

For universities with unrestricted net assets below the 20 percent recommended threshold, or projecting to utilize unrestricted net assets to temporarily transition to a balanced budget, the additional appropriation funds are instrumental in addressing these gaps and align to financial sustainability guidelines.

University	Additional Appropriations, by University, with a 6% Increase in 2023-24					
	2023-24			2024-25		
	Planning Assumption (2% increase)	Revised Appropriation	Difference	Planning Assumption (2% increase)	Revised Appropriation (2% Increase)	Difference
Cheyney	\$19,980,119	\$20,772,066	\$791,947	\$20,379,721	\$21,187,507	\$807,786
Commonwealth	85,055,261	88,426,567	3,371,306	86,756,366	90,195,098	3,438,732
East Stroudsburg	39,785,136	41,362,083	1,576,947	40,580,839	42,189,325	1,608,486
Indiana	57,124,402	59,388,623	2,264,221	58,266,890	60,576,395	2,309,505
Kutztown	48,096,047	50,002,413	1,906,366	49,057,968	51,002,461	1,944,493
Millersville	42,743,072	44,437,263	1,694,191	43,597,933	45,326,008	1,728,075
PennWest ¹	86,033,800	89,443,889	3,410,089	87,754,476	91,232,767	3,478,291
Shippensburg	39,577,388	41,146,102	1,568,714	40,368,936	41,969,024	1,600,088
Slippery Rock	52,767,295	54,858,813	2,091,518	53,822,641	55,955,989	2,133,348
West Chester	86,377,149	89,800,850	3,423,701	88,104,692	91,596,867	3,492,175
Office of Chancellor	5,979,331	5,979,331	0	6,098,918	6,098,918	0
Total Appropriations	\$563,519,000	\$585,618,000	\$22,099,000	\$574,789,380	\$597,330,360	\$22,540,980

¹ For 2023-24, PennWest has been assuming a total funding level of \$91.1M in their preliminary budget, in connection with the minimum guaranteed level of funding that would be supported for integrations (via SERS transition funds). Therefore, the updated 6 percent increase in appropriations will result in a net increase of approximately \$0.2M, as compared to their original planning assumption. Similarly, for 2024-25, PennWest has been assuming a total funding level of \$92.4M in their preliminary budget; therefore, the updated estimate in appropriations will result in a net increase of approximately \$0.8M.

June 2023 Comprehensive Planning Process Update
Cheyney University of Pennsylvania

Preliminary for Approval

(Dollars in Millions)	FY 2022-23 Projected Actuals			FY 2023-24 Budget			FY 2024-25 Projections		
	E&G	Auxiliary	Total Unrestricted	E&G	Auxiliary	Total Unrestricted	E&G	Auxiliary	Total Unrestricted
Revenues									
Tuition	\$5.8	\$0.0	\$5.8	\$5.4	\$0.0	\$5.4	\$5.6	\$0.0	\$5.6
Fees	1.6	0.1	1.7	1.6	0.1	1.7	1.7	0.1	1.7
State Appropriation	19.4	0.0	19.4	20.0	0.0	20.0	20.4	0.0	20.4
Auxiliary Sales	0.0	5.7	5.7	0.0	5.9	5.9	0.0	6.0	6.0
All Other Revenue	10.1	0.2	10.3	3.0	0.4	3.4	3.2	0.4	3.6
Total Revenues	\$36.8	\$6.0	\$42.8	\$30.0	\$6.4	\$36.4	\$30.8	\$6.5	\$37.3
Expenditures									
Compensation Summary:									
Salaries and Wages	\$9.0	\$0.6	\$9.7	\$9.9	\$0.8	\$10.8	\$10.2	\$0.9	\$11.1
Benefits	3.4	0.3	3.7	4.4	0.4	4.9	4.5	0.4	5.0
Subtotal, Compensation	\$12.4	\$0.9	\$13.3	\$14.4	\$1.3	\$15.6	\$14.7	\$1.3	\$16.0
Student Financial Aid	13.0	0.1	13.2	0.5	0.2	0.7	0.5	0.2	0.7
Interest Expense	0.1	0.0	0.1	0.1	0.0	0.1	0.0	0.0	0.0
Other Services and Supplies	11.2	4.2	15.4	11.7	5.2	17.0	12.5	5.2	17.7
Subtotal, Services and Supplies	\$24.3	\$4.4	\$28.7	\$12.3	\$5.4	\$17.8	\$13.0	\$5.4	\$18.4
Capital Expenditures	0.2	0.2	0.4	0.3	0.3	0.6	0.3	0.2	0.4
Debt Principal Payments	2.8	0.0	2.8	2.1	0.0	2.1	0.0	0.0	0.0
Total Expenditures	\$39.8	\$5.5	\$45.2	\$29.0	\$7.0	\$36.0	\$28.0	\$6.9	\$34.9
Revenues Less Expenditures	(\$3.0)	\$0.6	(\$2.4)	\$1.0	(\$0.6)	\$0.4	\$2.8	(\$0.4)	\$2.4
Transfers Out To/(In From) Plant and Other Funds	2.6	0.0	2.6	2.6	0.0	2.6	2.6	0.0	2.6
Revenues Less Expenditures and Transfers	(\$5.6)	\$0.6	(\$5.0)	(\$1.6)	(\$0.6)	(\$2.2)	\$0.2	(\$0.4)	(\$0.1)
Supplemental Resources									
Planned Use of Reserves for One-Time Needs/Strategic Initiatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenues and Supplemental Resources Less Expenditures & Transfers	(\$5.6)	\$0.6	(\$5.0)	(\$1.6)	(\$0.6)	(\$2.2)	\$0.2	(\$0.4)	(\$0.1)
Total Unrestricted Net Assets, Estimated End of Year Balance	(\$14.4)	\$3.8	(\$10.6)	(\$13.4)	\$3.2	(\$10.2)	(\$10.6)	\$2.8	(\$7.8)
Total Unrestricted Cash, Estimated End of Year Balance	\$1.2	\$0.2	\$1.4	\$2.2	(\$0.5)	\$1.7	\$5.0	(\$0.8)	\$4.2
Annualized FTE Enrollment									
Undergraduate	699.0		699.0	700.0		700.0	718.0		718.0
Graduate	0.0		0.0	0.0		0.0	0.0		0.0
Total Annualized FTE Enrollment	699.0		699.0	700.0		700.0	718.0		718.0
FTE of Budgeted Unrestricted Employees, Net of Turnover									
Faculty	35.3	0.0	35.3	48.5	0.0	48.5	48.5	0.0	48.5
Nonfaculty	53.0	7.4	60.3	73.0	8.3	81.3	73.0	8.3	81.3
Total FTE of Budgeted Employees	88.2	7.4	95.6	121.5	8.3	129.8	121.5	8.3	129.8

Net Tuition Revenue per FTE Student \$8,233 \$7,770 \$7,769
Undergraduate academic year tuition revenue less E&G institutional aid/annualized undergraduate FTE enrollment. Note: this estimate may include aid awarded to graduate students.

	<u>Actual/Estimated</u>	<u>Estimated</u>	<u>Estimated</u>
Fall FTE Student/Fall FTE Faculty Ratio	19.0	13.9	14.2
Fall FTE student/Fall FTE faculty (excludes clock hour students and faculty)			

June 2023 Comprehensive Planning Process Update
Commonwealth University of Pennsylvania

Preliminary for Approval

	FY 2022-23 Projected Actuals			FY 2023-24 Budget			FY 2024-25 Projections			FY 2025-26 Projections		
(Dollars in Millions)	E&G	Auxiliary	Total Unrestricted	E&G	Auxiliary	Total Unrestricted	E&G	Auxiliary	Total Unrestricted	E&G	Aux	Total Unrestricted
Revenues												
Tuition	\$98.2	\$0.0	\$98.2	\$103.3	\$0.0	\$103.3	\$104.5	\$0.0	\$104.5	\$106.1	\$0.0	\$106.1
Fees	27.0	5.0	32.0	29.2	5.0	34.2	29.8	5.0	34.8	30.2	5.0	35.2
State Appropriation	84.6	0.0	84.6	85.1	0.0	85.1	86.8	0.0	86.8	88.5	0.0	88.5
Auxiliary Sales	0.0	48.3	48.3	0.0	49.5	49.5	0.0	49.5	49.5	0.0	49.5	49.5
All Other Revenue	26.8	2.0	28.8	18.5	2.0	20.5	16.6	2.0	18.5	19.9	2.0	21.9
Total Revenues	\$236.7	\$55.3	\$291.9	\$236.1	\$56.5	\$292.5	\$237.6	\$56.5	\$294.1	\$244.7	\$56.5	\$301.2
Expenditures												
Compensation Summary:												
Salaries and Wages	\$117.6	\$8.8	\$126.4	\$116.1	\$9.3	\$125.4	\$114.4	\$8.8	\$123.3	\$117.2	\$8.9	\$126.1
Benefits	58.3	5.8	64.0	60.3	6.3	66.6	59.7	6.1	65.9	61.6	6.2	67.7
Subtotal, Compensation	\$175.9	\$14.5	\$190.4	\$176.4	\$15.6	\$192.0	\$174.2	\$14.9	\$189.1	\$178.8	\$15.0	\$193.9
Student Financial Aid	18.8	0.8	19.6	19.5	0.8	20.3	22.0	0.8	22.8	25.0	0.8	25.8
Interest Expense	0.5	7.5	8.0	0.3	7.1	7.4	0.2	6.7	6.9	0.1	6.2	6.4
Other Services and Supplies	42.5	22.7	65.2	39.0	23.6	62.6	39.5	24.7	64.2	39.6	25.0	64.6
Subtotal, Services and Supplies	\$61.8	\$31.0	\$92.8	\$58.8	\$31.5	\$90.3	\$61.7	\$32.1	\$93.8	\$64.7	\$32.1	\$96.8
Capital Expenditures	1.9	0.4	2.4	1.3	0.2	1.5	1.3	0.2	1.5	1.3	0.2	1.5
Debt Principal Payments	3.2	9.9	13.1	3.3	9.8	13.1	0.6	9.6	10.2	0.6	9.9	10.5
Total Expenditures	\$242.8	\$55.9	\$298.7	\$239.8	\$57.1	\$296.9	\$237.7	\$56.9	\$294.6	\$245.4	\$57.2	\$302.6
Revenues Less Expenditures	(\$6.1)	(\$0.7)	(\$6.8)	(\$3.7)	(\$0.6)	(\$4.3)	(\$0.1)	(\$0.4)	(\$0.5)	(\$0.7)	(\$0.7)	(\$1.4)
Transfers Out To/(In From) Plant and Other Funds	1.7	0.2	1.9	1.1	0.2	1.3	1.1	0.2	1.3	1.1	0.2	1.3
Revenues Less Expenditures and Transfers	(\$7.9)	(\$0.9)	(\$8.7)	(\$4.8)	(\$0.8)	(\$5.6)	(\$1.2)	(\$0.6)	(\$1.8)	(\$1.7)	(\$0.9)	(\$2.7)
Supplemental Resources												
Planned Use of Reserves for One-Time Needs/Strategic Initiatives	1.5	0.0	1.5	1.4	0.0	1.4	0.5	0.0	0.5	0.5	0.0	0.5
Revenues and Supplemental Resources Less Expenditures & Transfers	(\$6.4)	(\$0.9)	(\$7.2)	(\$3.4)	(\$0.8)	(\$4.2)	(\$0.7)	(\$0.6)	(\$1.3)	(\$1.3)	(\$0.9)	(\$2.2)
Total Unrestricted Net Assets, Estimated End of Year Balance												
	\$68.0	\$35.7	\$103.7	\$63.2	\$34.9	\$98.1	\$62.0	\$34.3	\$96.3	\$60.2	\$33.4	\$93.6
Total Unrestricted Cash, Estimated End of Year Balance												
	\$93.2	\$34.8	\$128.0	\$88.4	\$34.0	\$122.4	\$87.2	\$33.4	\$120.7	\$85.5	\$32.5	\$118.0
Annualized FTE Enrollment												
Undergraduate	9,742.0		9,742.0	9,849.1		9,849.1	9,967.3		9,967.3	10,116.8		10,116.8
Graduate	1,046.0		1,046.0	1,057.5		1,057.5	1,070.2		1,070.2	1,086.2		1,086.2
Total Annualized FTE Enrollment	10,787.9		10,787.9	10,906.6		10,906.6	11,037.5		11,037.5	11,203.0		11,203.0
FTE of Budgeted Unrestricted Employees, Net of Turnover												
Faculty	605.1	0.0	605.1	562.5	0.0	562.5	540.0	0.0	540.0	540.0	0.0	540.0
Nonfaculty	760.7	69.2	829.9	803.4	80.7	884.1	771.1	80.7	851.8	771.1	80.7	851.8
Total FTE of Budgeted Employees	1,365.8	69.2	1,435.0	1,365.9	80.7	1,446.6	1,311.0	80.7	1,391.7	1,311.0	80.7	1,391.7
Net Tuition Revenue per FTE Student			\$6,180				\$6,439				\$6,208	\$5,944
Undergraduate academic year tuition revenue less E&G institutional aid/annualized undergraduate FTE enrollment. Note: this estimate may include aid awarded to graduate students.												
			Actual/Estimated				Estimated				Estimated	Estimated
Fall FTE Student/Fall FTE Faculty Ratio			17.3				17.7				18.7	19.0
Fall FTE student/Fall FTE faculty (excludes clock hour students and faculty)												

June 2023 Comprehensive Planning Process Update
East Stroudsburg University of Pennsylvania

Preliminary for Approval

(Dollars in Millions)	FY 2022-23 Projected Actuals			FY 2023-24 Budget			FY 2024-25 Projections		
	E&G	Auxiliary	Total Unrestricted	E&G	Auxiliary	Total Unrestricted	E&G	Auxiliary	Total Unrestricted
Revenues									
Tuition	\$43.9	\$0.0	\$43.9	\$47.6	\$0.0	\$47.6	\$48.7	\$0.0	\$48.7
Fees	10.6	3.3	13.9	11.7	3.6	15.3	12.0	3.7	15.7
State Appropriation	39.9	0.0	39.9	40.1	0.0	40.1	40.9	0.0	40.9
Auxiliary Sales	0.0	17.4	17.4	0.0	19.5	19.5	0.0	22.1	22.1
All Other Revenue	12.1	0.6	12.7	11.3	1.2	12.5	7.6	1.2	8.8
Total Revenues	\$106.5	\$21.2	\$127.7	\$110.8	\$24.2	\$135.0	\$109.2	\$27.0	\$136.2
Expenditures									
Compensation Summary:									
Salaries and Wages	\$47.9	\$3.3	\$51.2	\$49.3	\$3.9	\$53.3	\$50.9	\$4.0	\$54.9
Benefits	20.7	1.4	22.0	23.1	1.6	24.7	24.0	1.7	25.6
Subtotal, Compensation	\$68.5	\$4.7	\$73.2	\$72.4	\$5.6	\$77.9	\$74.8	\$5.7	\$80.5
Student Financial Aid	10.6	0.4	11.0	13.7	0.4	14.1	13.1	0.4	13.6
Interest Expense	0.7	1.8	2.5	0.6	1.7	2.3	0.5	1.6	2.1
Other Services and Supplies	19.2	10.4	29.7	22.9	11.4	34.3	22.2	12.5	34.7
Subtotal, Services and Supplies	\$30.5	\$12.6	\$43.1	\$37.1	\$13.5	\$50.6	\$35.8	\$14.5	\$50.3
Capital Expenditures	1.7	0.2	1.8	0.1	0.0	0.1	0.1	0.0	0.1
Debt Principal Payments	2.5	2.0	4.5	2.5	2.1	4.7	2.6	2.1	4.7
Total Expenditures	\$103.2	\$19.5	\$122.7	\$112.1	\$21.2	\$133.3	\$113.3	\$22.3	\$135.6
Revenues Less Expenditures	\$3.3	\$1.7	\$5.1	(\$1.4)	\$3.1	\$1.7	(\$4.2)	\$4.7	\$0.6
Transfers Out To/(In From) Plant and Other Funds	1.8	4.9	6.8	1.8	2.8	4.6	1.8	4.1	5.9
Revenues Less Expenditures and Transfers	\$1.5	(\$3.2)	(\$1.7)	(\$3.2)	\$0.3	(\$2.9)	(\$6.0)	\$0.6	(\$5.3)
Supplemental Resources									
Planned Use of Reserves for One-Time Needs/Strategic Initiatives	0.0	4.0	4.0	3.2	0.0	3.2	6.0	0.0	6.0
Revenues and Supplemental Resources Less Expenditures & Transfers	\$1.5	\$0.8	\$2.3	\$0.0	\$0.3	\$0.3	\$0.0	\$0.6	\$0.6
Total Unrestricted Net Assets, Estimated End of Year Balance	\$53.4	\$33.2	\$86.6	\$51.1	\$36.3	\$87.4	\$46.0	\$41.0	\$87.1
Total Unrestricted Cash, Estimated End of Year Balance	\$60.6	\$36.6	\$97.2	\$57.5	\$39.6	\$97.1	\$51.5	\$44.4	\$95.8
Annualized FTE Enrollment									
Undergraduate	4,156.5		4,156.5	4,538.6		4,538.6	4,674.5		4,674.5
Graduate	555.5		555.5	583.0		583.0	577.7		577.7
Total Annualized FTE Enrollment	4,712.0		4,712.0	5,121.6		5,121.6	5,252.2		5,252.2
FTE of Budgeted Unrestricted Employees, Net of Turnover									
Faculty	244.1	0.0	244.1	243.3	0.0	243.3	250.0	0.0	250.0
Nonfaculty	327.2	7.8	334.9	354.0	13.9	368.0	355.0	13.9	369.0
Total FTE of Budgeted Employees	571.3	7.8	579.0	597.3	13.9	611.2	605.0	13.9	619.0

Net Tuition Revenue per FTE Student \$5,645 \$5,189 \$5,383
Undergraduate academic year tuition revenue less E&G institutional aid/annualized undergraduate FTE enrollment. Note: this estimate may include aid awarded to graduate students.

	<u>Actual/Estimated</u>	<u>Estimated</u>	<u>Estimated</u>
Fall FTE Student/Fall FTE Faculty Ratio	18.3	20.0	20.0
Fall FTE student/Fall FTE faculty (excludes clock hour students and faculty)			

June 2023 Comprehensive Planning Process Update
Indiana University of Pennsylvania

Preliminary for Approval

(Dollars in Millions)	FY 2022-23 Projected Actuals			FY 2023-24 Budget			FY 2024-25 Projections		
	E&G	Auxiliary	Total Unrestricted	E&G	Auxiliary	Total Unrestricted	E&G	Auxiliary	Total Unrestricted
Revenues									
Tuition	\$67.6	\$0.0	\$67.6	\$66.9	\$0.0	\$66.9	\$67.4	\$0.0	\$67.4
Fees	23.6	0.0	23.6	23.3	0.0	23.3	23.3	0.0	23.3
State Appropriation	56.9	0.0	56.9	57.1	0.0	57.1	58.3	0.0	58.3
Auxiliary Sales	0.0	23.4	23.4	0.0	23.9	23.9	0.0	23.9	23.9
All Other Revenue	19.8	2.6	22.4	19.3	2.7	22.0	18.9	2.7	21.6
Total Revenues	\$167.9	\$26.1	\$194.0	\$166.6	\$26.6	\$193.2	\$167.8	\$26.6	\$194.4
Expenditures									
Compensation Summary:									
Salaries and Wages	\$83.1	\$2.5	\$85.7	\$80.0	\$2.6	\$82.6	\$76.7	\$2.6	\$79.3
Benefits	40.9	2.0	42.9	41.4	2.1	43.4	39.9	2.1	42.0
Subtotal, Compensation	\$124.0	\$4.5	\$128.6	\$121.4	\$4.6	\$126.0	\$116.7	\$4.6	\$121.3
Student Financial Aid	24.7	0.0	24.7	20.1	0.0	20.1	20.1	0.0	20.1
Interest Expense	0.4	4.5	4.8	0.2	4.0	4.2	0.2	3.5	3.7
Other Services and Supplies	27.4	15.5	42.9	30.8	16.0	46.8	28.3	16.0	44.3
Subtotal, Services and Supplies	\$52.4	\$20.0	\$72.4	\$51.2	\$20.0	\$71.2	\$48.6	\$19.5	\$68.1
Capital Expenditures	1.6	0.1	1.7	1.0	0.1	1.1	1.0	0.1	1.1
Debt Principal Payments	1.5	8.2	9.7	0.7	7.5	8.2	0.7	7.5	8.2
Total Expenditures	\$179.5	\$32.8	\$212.4	\$174.3	\$32.1	\$206.5	\$167.1	\$31.7	\$198.7
Revenues Less Expenditures	(\$11.6)	(\$6.8)	(\$18.4)	(\$7.7)	(\$5.5)	(\$13.2)	\$0.7	(\$5.1)	(\$4.3)
Transfers Out To/(In From) Plant and Other Funds	0.8	0.0	0.8	0.8	0.0	0.8	0.8	0.0	0.8
Revenues Less Expenditures and Transfers	(\$12.4)	(\$6.8)	(\$19.2)	(\$8.5)	(\$5.5)	(\$14.0)	(\$0.0)	(\$5.1)	(\$5.1)
Supplemental Resources									
Planned Use of Reserves for One-Time Needs/Strategic Initiatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenues and Supplemental Resources Less Expenditures & Transfers	(\$12.4)	(\$6.8)	(\$19.2)	(\$8.5)	(\$5.5)	(\$14.0)	(\$0.0)	(\$5.1)	(\$5.1)
Total Unrestricted Net Assets, Estimated End of Year Balance	\$67.7	(\$6.3)	\$61.5	\$60.0	(\$11.3)	\$48.7	\$60.8	(\$16.3)	\$44.5
Total Unrestricted Cash, Estimated End of Year Balance	\$64.2	\$2.7	\$66.9	\$56.5	(\$2.4)	\$54.1	\$57.2	(\$7.4)	\$49.8
Annualized FTE Enrollment									
Undergraduate	6,556.5		6,556.5	6,493.3		6,493.3	6,543.8		6,543.8
Graduate	1,121.8		1,121.8	1,121.8		1,121.8	1,121.8		1,121.8
Total Annualized FTE Enrollment	7,678.3		7,678.3	7,615.1		7,615.1	7,665.6		7,665.6
FTE of Budgeted Unrestricted Employees, Net of Turnover									
Faculty	412.8	0.0	412.8	396.4	0.0	396.4	386.0	0.0	386.0
Nonfaculty	480.7	20.3	501.0	456.6	19.6	476.2	406.3	19.6	425.9
Total FTE of Budgeted Employees	893.4	20.3	913.7	853.0	19.6	872.6	792.3	19.6	811.9

Net Tuition Revenue per FTE Student \$4,214 \$4,780 \$4,805
Undergraduate academic year tuition revenue less E&G institutional aid/annualized undergraduate FTE enrollment. Note: this estimate may include aid awarded to graduate students.

	<u>Actual/Estimated</u>	<u>Estimated</u>	<u>Estimated</u>
Fall FTE Student/Fall FTE Faculty Ratio	17.0	17.9	18.5
Fall FTE student/Fall FTE faculty (excludes clock hour students and faculty)			

June 2023 Comprehensive Planning Process Update
Kutztown University of Pennsylvania

Preliminary for Approval

(Dollars in Millions)	FY 2022-23 Projected Actuals			FY 2023-24 Budget			FY 2024-25 Projections		
	E&G	Auxiliary	Total Unrestricted	E&G	Auxiliary	Total Unrestricted	E&G	Auxiliary	Total Unrestricted
Revenues									
Tuition	\$60.7	\$0.0	\$60.7	\$60.9	\$0.0	\$60.9	\$61.3	\$0.0	\$61.3
Fees	16.4	4.6	21.0	16.6	4.7	21.2	16.7	4.8	21.5
State Appropriation	46.7	0.0	46.7	48.4	0.0	48.4	49.4	0.0	49.4
Auxiliary Sales	0.0	37.1	37.1	0.0	38.2	38.2	0.0	39.0	39.0
All Other Revenue	11.7	0.5	12.1	9.5	0.5	10.0	4.8	0.5	5.3
Total Revenues	\$135.5	\$42.2	\$177.7	\$135.3	\$43.4	\$178.7	\$132.1	\$44.3	\$176.4
Expenditures									
Compensation Summary:									
Salaries and Wages	\$61.0	\$6.0	\$67.0	\$63.5	\$6.6	\$70.1	\$64.8	\$6.8	\$71.6
Benefits	29.5	2.8	32.3	30.4	3.1	33.5	31.4	3.2	34.6
Subtotal, Compensation	\$90.5	\$8.8	\$99.3	\$94.0	\$9.7	\$103.7	\$96.2	\$10.0	\$106.2
Student Financial Aid	13.6	0.9	14.5	13.0	4.0	17.0	13.0	4.0	17.0
Interest Expense	0.4	2.6	2.9	0.3	2.4	2.7	0.2	2.2	2.4
Other Services and Supplies	25.6	19.7	45.3	24.6	20.5	45.1	19.8	21.0	40.8
Subtotal, Services and Supplies	\$39.6	\$23.2	\$62.8	\$37.9	\$26.9	\$64.8	\$33.0	\$27.2	\$60.2
Capital Expenditures	1.5	0.4	1.8	1.5	0.4	1.8	1.5	0.4	1.8
Debt Principal Payments	1.6	3.9	5.5	1.1	4.1	5.2	1.2	3.9	5.1
Total Expenditures	\$133.1	\$36.3	\$169.4	\$134.4	\$41.1	\$175.5	\$131.9	\$41.5	\$173.3
Revenues Less Expenditures	\$2.4	\$5.9	\$8.3	\$0.9	\$2.3	\$3.2	\$0.2	\$2.8	\$3.0
Transfers Out To/(In From) Plant and Other Funds	2.1	5.9	8.0	0.9	2.3	3.2	0.2	2.8	3.0
Revenues Less Expenditures and Transfers	\$0.4	(\$0.0)	\$0.4	(\$0.0)	\$0.0	(\$0.0)	\$0.0	\$0.0	\$0.0
Supplemental Resources									
Planned Use of Reserves for One-Time Needs/Strategic Initiatives	1.3	0.0	1.3	0.0	0.0	0.0	0.0	0.0	0.0
Revenues and Supplemental Resources Less Expenditures & Transfers	\$1.6	(\$0.0)	\$1.6	(\$0.0)	\$0.0	(\$0.0)	\$0.0	\$0.0	\$0.0
Total Unrestricted Net Assets, Estimated End of Year Balance	\$36.9	\$38.0	\$74.8	\$36.7	\$37.4	\$74.1	\$36.1	\$38.5	\$74.6
Total Unrestricted Cash, Estimated End of Year Balance	\$52.3	\$38.6	\$90.9	\$52.1	\$38.0	\$90.1	\$51.5	\$39.1	\$90.6
Annualized FTE Enrollment									
Undergraduate	5,981.5		5,981.5	5,974.6		5,974.6	5,964.2		5,964.2
Graduate	625.9		625.9	632.9		632.9	643.2		643.2
Total Annualized FTE Enrollment	6,607.4		6,607.4	6,607.4		6,607.4	6,607.4		6,607.4
FTE of Budgeted Unrestricted Employees, Net of Turnover									
Faculty	364.8	0.0	364.8	360.8	0.0	360.8	360.8	0.0	360.8
Nonfaculty	318.7	79.4	398.1	321.8	80.5	402.3	321.9	80.5	402.4
Total FTE of Budgeted Employees	683.5	79.4	762.9	682.6	80.5	763.1	682.7	80.5	763.2

Net Tuition Revenue per FTE Student \$6,087 \$6,103 \$6,168
Undergraduate academic year tuition revenue less E&G institutional aid/annualized undergraduate FTE enrollment. Note: this estimate may include aid awarded to graduate students.

	<u>Actual/Estimated</u>	<u>Estimated</u>	<u>Estimated</u>
Fall FTE Student/Fall FTE Faculty Ratio	17.8	18.0	18.0
Fall FTE student/Fall FTE faculty (excludes clock hour students and faculty)			

June 2023 Comprehensive Planning Process Update
 Millersville University of Pennsylvania

Preliminary for Approval

(Dollars in Millions)	FY 2022-23 Projected Actuals			FY 2023-24 Budget			FY 2024-25 Projections		
	E&G	Auxiliary	Total Unrestricted	E&G	Auxiliary	Total Unrestricted	E&G	Auxiliary	Total Unrestricted
Revenues									
Tuition	\$61.4	\$0.0	\$61.4	\$61.4	\$0.0	\$61.4	\$62.1	\$0.0	\$62.1
Fees	12.9	4.4	17.3	13.0	4.4	17.4	13.2	4.5	17.6
State Appropriation	42.3	0.0	42.3	43.0	0.0	43.0	43.9	0.0	43.9
Auxiliary Sales	0.0	26.9	26.9	0.0	27.5	27.5	0.0	27.6	27.6
All Other Revenue	7.9	0.8	8.8	8.1	0.5	8.6	8.0	0.5	8.5
Total Revenues	\$124.6	\$32.1	\$156.7	\$125.6	\$32.5	\$158.0	\$127.1	\$32.6	\$159.8
Expenditures									
Compensation Summary:									
Salaries and Wages	\$63.7	\$6.1	\$69.8	\$63.9	\$6.2	\$70.0	\$63.3	\$6.3	\$69.6
Benefits	30.3	3.4	33.8	32.1	3.7	35.8	32.2	3.7	35.9
Subtotal, Compensation	\$94.0	\$9.6	\$103.6	\$96.0	\$9.9	\$105.9	\$95.5	\$10.0	\$105.6
Student Financial Aid	5.7	0.0	5.7	3.8	0.0	3.8	3.9	0.0	3.9
Interest Expense	0.3	4.6	4.9	0.2	4.5	4.7	0.2	4.2	4.4
Other Services and Supplies	21.3	9.0	30.3	21.1	7.8	28.9	21.2	8.0	29.2
Subtotal, Services and Supplies	\$27.3	\$13.7	\$41.0	\$25.1	\$12.2	\$37.4	\$25.2	\$12.2	\$37.5
Capital Expenditures	0.5	1.0	1.5	0.5	1.3	1.8	0.5	1.3	1.8
Debt Principal Payments	1.5	6.2	7.7	1.6	6.4	7.9	1.6	6.6	8.1
Total Expenditures	\$123.4	\$30.4	\$153.8	\$123.2	\$29.7	\$152.9	\$122.9	\$30.0	\$152.9
Revenues Less Expenditures	\$1.2	\$1.7	\$2.9	\$2.4	\$2.7	\$5.1	\$4.3	\$2.6	\$6.8
Transfers Out To/(In From) Plant and Other Funds	4.5	1.6	6.1	4.1	1.6	5.7	4.0	1.5	5.5
Revenues Less Expenditures and Transfers	(\$3.3)	\$0.1	(\$3.1)	(\$1.7)	\$1.1	(\$0.6)	\$0.3	\$1.0	\$1.3
Supplemental Resources									
Planned Use of Reserves for One-Time Needs/Strategic Initiatives	1.4	0.0	1.4	0.0	0.0	0.0	0.0	0.0	0.0
Revenues and Supplemental Resources Less Expenditures & Transfers	(\$1.9)	\$0.1	(\$1.8)	(\$1.7)	\$1.1	(\$0.6)	\$0.3	\$1.0	\$1.3
Total Unrestricted Net Assets, Estimated End of Year Balance	\$38.6	\$8.2	\$46.8	\$32.8	\$8.2	\$41.0	\$30.0	\$8.9	\$38.9
Total Unrestricted Cash, Estimated End of Year Balance	\$48.3	\$9.3	\$57.6	\$42.5	\$9.3	\$51.8	\$39.7	\$10.0	\$49.7
Annualized FTE Enrollment									
Undergraduate	5,258.0		5,258.0	5,258.0		5,258.0	5,311.0		5,311.0
Graduate	651.0		651.0	651.0		651.0	658.0		658.0
Total Annualized FTE Enrollment	5,909.0		5,909.0	5,909.0		5,909.0	5,969.0		5,969.0
FTE of Budgeted Unrestricted Employees, Net of Turnover									
Faculty	314.8	0.0	314.8	303.5	0.0	303.5	285.5	0.0	285.5
Nonfaculty	410.8	59.2	470.0	418.2	62.2	480.3	419.3	62.3	481.6
Total FTE of Budgeted Employees	725.7	59.2	784.8	721.7	62.2	783.9	704.8	62.3	767.1

Net Tuition Revenue per FTE Student \$7,887 \$8,258 \$8,246
 Undergraduate academic year tuition revenue less E&G institutional aid/annualized undergraduate FTE enrollment. Note: this estimate may include aid awarded to graduate students.

	Actual/Estimated	Estimated	Estimated
Fall FTE Student/Fall FTE Faculty Ratio	17.1	17.7	19.0
Fall FTE student/Fall FTE faculty (excludes clock hour students and faculty)			

June 2023 Comprehensive Planning Process Update
Pennsylvania Western University of Pennsylvania

Preliminary for Approval

(Dollars in Millions)	FY 2022-23 Projected Actuals				FY 2023-24 Budget			FY 2024-25 Projections			FY 2025-26 Projections		
	Fall 2022 Total Unrestricted				Total			Total			Total		
	Budget	E&G	Auxiliary	Unrestricted	E&G	Auxiliary	Unrestricted	E&G	Auxiliary	Unrestricted	E&G	Aux	Unrestricted
Revenues													
Tuition	\$103.2	\$108.8	\$0.0	\$108.8	\$95.4	\$0.0	\$95.4	\$95.6	\$0.0	\$95.6	\$100.9	\$0.0	\$100.9
Fees	32.1	28.7	3.3	32.0	24.9	2.8	27.6	24.6	2.6	27.2	25.7	2.7	28.4
State Appropriation	87.3	87.3	0.0	87.3	86.0	0.0	86.0	87.8	0.0	87.8	89.5	0.0	89.5
Auxiliary Sales	35.7	0.0	36.0	36.0	0.0	30.3	30.3	0.0	28.8	28.8	0.0	29.2	29.2
All Other Revenue	52.0	33.5	15.4	49.0	16.6	4.2	20.7	15.8	4.1	19.9	15.8	4.3	20.1
Total Revenues	\$310.2	\$258.3	\$54.7	\$313.1	\$222.8	\$37.2	\$260.1	\$223.8	\$35.5	\$259.3	\$231.9	\$36.1	\$268.1
Expenditures													
Compensation Summary:													
Salaries and Wages	\$130.9	\$121.8	\$4.0	\$125.8	\$119.5	\$3.9	\$123.4	\$117.7	\$4.0	\$121.7	\$116.2	\$4.0	\$120.1
Benefits	64.4	58.8	2.9	61.7	59.5	3.1	62.6	59.3	3.2	62.5	59.3	3.2	62.5
Subtotal, Compensation	\$195.4	\$180.6	\$6.9	\$187.5	\$179.0	\$7.1	\$186.0	\$177.0	\$7.2	\$184.2	\$175.4	\$7.2	\$182.6
Student Financial Aid	19.2	18.9	0.0	18.9	18.6	0.0	18.6	18.6	0.0	18.6	18.9	0.0	18.9
Interest Expense	12.2	1.2	11.1	12.2	1.1	10.5	11.6	1.1	9.8	10.9	0.9	9.2	10.1
Other Services and Supplies	91.1	57.9	20.3	78.2	53.1	20.4	73.6	51.7	20.5	72.2	49.8	20.6	70.5
Subtotal, Services and Supplies	\$122.5	\$77.9	\$31.4	\$109.3	\$72.9	\$30.9	\$103.8	\$71.4	\$30.4	\$101.7	\$69.6	\$29.8	\$99.4
Capital Expenditures	1.7	1.2	0.3	1.5	1.1	0.3	1.4	1.1	0.3	1.4	1.1	0.3	1.4
Debt Principal Payments	16.4	3.4	13.2	16.6	3.0	13.5	16.4	3.7	14.0	17.7	3.8	13.9	17.7
Total Expenditures	\$336.0	\$263.1	\$51.8	\$315.0	\$255.9	\$51.8	\$307.7	\$253.2	\$51.9	\$305.1	\$250.0	\$51.3	\$301.2
Revenues Less Expenditures	(\$25.7)	(\$4.8)	\$2.9	(\$1.9)	(\$33.0)	(\$14.6)	(\$47.6)	(\$29.4)	(\$16.4)	(\$45.8)	(\$18.0)	(\$15.1)	(\$33.2)
Transfers Out To/(In From) Plant and Other Funds	0.0	1.6	(1.6)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenues Less Expenditures and Transfers	(\$25.7)	(\$6.4)	\$4.5	(\$1.9)	(\$33.0)	(\$14.6)	(\$47.6)	(\$29.4)	(\$16.4)	(\$45.8)	(\$18.0)	(\$15.1)	(\$33.2)
Supplemental Resources													
Planned Use of Reserves for One-Time Needs/Strategic Initiatives	3.7	0.9	0.0	0.9	2.8	0.0	2.8	0.0	0.0	0.0	0.0	0.0	0.0
Revenues and Supplemental Resources Less Expenditures & Transfers	(\$22.1)	(\$5.6)	\$4.5	(\$1.0)	(\$30.2)	(\$14.6)	(\$44.8)	(\$29.4)	(\$16.4)	(\$45.8)	(\$18.0)	(\$15.1)	(\$33.2)
Total Unrestricted Net Assets, Estimated End of Year Balance	\$34.1	\$20.5	\$25.2	\$45.8	(\$12.5)	\$10.6	(\$1.9)	(\$41.9)	(\$5.8)	(\$47.7)	(\$60.0)	(\$20.9)	(\$80.8)
Total Unrestricted Cash, Estimated End of Year Balance	\$50.1	\$45.1	\$23.2	\$68.3	\$12.0	\$8.6	\$20.6	(\$17.4)	(\$7.8)	(\$25.2)	(\$35.4)	(\$22.9)	(\$58.3)
Annualized FTE Enrollment													
Undergraduate	8,268.7	8,497.8		8,497.8	7,143.3		7,143.3	6,786.1		6,786.1	6,878.1		6,878.1
Graduate	2,744.6	2,860.3		2,860.3	2,721.6		2,721.6	2,970.7		2,970.7	3,325.1		3,325.1
Total Annualized FTE Enrollment	11,013.3	11,358.1		11,358.1	9,864.9		9,864.9	9,756.8		9,756.8	10,203.2		10,203.2
FTE of Budgeted Unrestricted Employees, Net of Turnover													
Faculty	666.4	646.0	0.0	646.0	598.6	0.0	598.6	558.6	0.0	558.6	518.6	0.0	518.6
Nonfaculty	824.2	726.8	60.8	787.6	726.3	59.3	785.6	720.3	59.3	779.6	716.3	59.3	775.6
Total FTE of Budgeted Employees	1,490.6	1,372.8	60.8	1,433.6	1,324.9	59.3	1,384.1	1,278.9	59.3	1,338.1	1,234.9	59.3	1,294.1
Net Tuition Revenue per FTE Student				\$6,290			\$5,889			\$5,754			\$5,755
Undergraduate academic year tuition revenue less E&G institutional aid/annualized undergraduate FTE enrollment. Note: this estimate may include aid awarded to graduate students.													
Fall FTE Student/Fall FTE Faculty Ratio	Actual/Estimated			Actual/Estimated	Estimated			Estimated			Estimated		Estimated
	15.4			15.8	14.8			15.5			17.6		
Fall FTE student/Fall FTE faculty (excludes clock hour students and faculty)													

June 2023 Comprehensive Planning Process Update
Shippensburg University of Pennsylvania

Preliminary for Approval

(Dollars in Millions)	FY 2022-23 Projected Actuals			FY 2023-24 Budget			FY 2024-25 Projections		
	E&G	Auxiliary	Total Unrestricted	E&G	Auxiliary	Total Unrestricted	E&G	Auxiliary	Total Unrestricted
Revenues									
Tuition	\$46.0	\$0.0	\$46.0	\$45.7	\$0.0	\$45.7	\$46.4	\$0.0	\$46.4
Fees	11.6	4.0	15.7	11.5	4.0	15.6	11.8	4.0	15.8
State Appropriation	37.5	0.0	37.5	39.6	0.0	39.6	40.4	0.0	40.4
Auxiliary Sales	0.0	24.8	24.8	0.0	25.5	25.5	0.0	26.2	26.2
All Other Revenue	8.5	0.4	8.9	7.7	0.4	8.1	7.8	0.4	8.2
Total Revenues	\$103.7	\$29.3	\$133.0	\$104.4	\$30.0	\$134.4	\$106.4	\$30.7	\$137.1
Expenditures									
Compensation Summary:									
Salaries and Wages	\$53.3	\$3.7	\$57.0	\$53.9	\$3.7	\$57.6	\$54.4	\$3.8	\$58.2
Benefits	25.8	2.2	28.0	26.2	2.3	28.5	26.6	2.3	28.9
Subtotal, Compensation	\$79.2	\$5.9	\$85.0	\$80.1	\$6.0	\$86.1	\$80.9	\$6.1	\$87.1
Student Financial Aid	6.5	0.6	7.1	7.3	0.6	7.9	8.8	0.6	9.4
Interest Expense	0.0	5.8	5.8	0.0	5.6	5.6	0.0	5.4	5.4
Other Services and Supplies	14.9	10.1	25.0	14.8	10.3	25.1	15.2	10.6	25.8
Subtotal, Services and Supplies	\$21.3	\$16.6	\$37.9	\$22.1	\$16.5	\$38.6	\$24.0	\$16.5	\$40.6
Capital Expenditures	0.5	0.2	0.7	0.5	0.1	0.6	0.5	0.1	0.6
Debt Principal Payments	0.0	6.7	6.7	0.0	7.0	7.0	0.0	7.3	7.3
Total Expenditures	\$101.0	\$29.3	\$130.3	\$102.7	\$29.7	\$132.3	\$105.5	\$30.0	\$135.5
Revenues Less Expenditures	\$2.7	\$0.0	\$2.7	\$1.8	\$0.3	\$2.1	\$0.9	\$0.7	\$1.6
Transfers Out To/(In From) Plant and Other Funds	2.1	0.0	2.1	1.8	0.3	2.1	0.9	0.7	1.6
Revenues Less Expenditures and Transfers	\$0.6	(\$0.0)	\$0.6	\$0.0	\$0.0	(\$0.0)	\$0.0	(\$0.0)	(\$0.0)
Supplemental Resources									
Planned Use of Reserves for One-Time Needs/Strategic Initiatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenues and Supplemental Resources Less Expenditures & Transfers	\$0.6	(\$0.0)	\$0.6	\$0.0	\$0.0	(\$0.0)	\$0.0	(\$0.0)	(\$0.0)
Total Unrestricted Net Assets, Estimated End of Year Balance	\$15.5	\$20.4	\$35.9	\$14.4	\$20.2	\$34.6	\$15.3	\$20.3	\$35.6
Total Unrestricted Cash, Estimated End of Year Balance	\$21.5	\$19.2	\$40.7	\$20.3	\$18.9	\$39.3	\$21.3	\$19.1	\$40.3
Annualized FTE Enrollment									
Undergraduate	4,094.6		4,094.6	4,075.4		4,075.4	4,147.6		4,147.6
Graduate	449.6		449.6	439.1		439.1	458.1		458.1
Total Annualized FTE Enrollment	4,544.2		4,544.2	4,514.5		4,514.5	4,605.7		4,605.7
FTE of Budgeted Unrestricted Employees, Net of Turnover									
Faculty	274.1	0.0	274.1	257.8	0.0	257.8	253.8	0.0	253.8
Nonfaculty	273.7	59.7	333.4	277.9	60.1	338.0	277.9	60.1	338.0
Total FTE of Budgeted Employees	547.7	59.7	607.5	535.8	60.1	595.8	531.8	60.1	591.8

Net Tuition Revenue per FTE Student \$7,330 \$7,312 \$7,245
Undergraduate academic year tuition revenue less E&G institutional aid/annualized undergraduate FTE enrollment. Note: this estimate may include aid awarded to graduate students.

	<u>Actual/Estimated</u>	<u>Estimated</u>	<u>Estimated</u>
Fall FTE Student/Fall FTE Faculty Ratio	16.0	16.7	17.3
Fall FTE student/Fall FTE faculty (excludes clock hour students and faculty)			

June 2023 Comprehensive Planning Process Update
Slippery Rock University of Pennsylvania

Preliminary for Approval

(Dollars in Millions)	FY 2022-23 Projected Actuals			FY 2023-24 Budget			FY 2024-25 Projections		
	E&G	Auxiliary	Total Unrestricted	E&G	Auxiliary	Total Unrestricted	E&G	Auxiliary	Total Unrestricted
Revenues									
Tuition	\$74.9	\$0.0	\$74.9	\$74.3	\$0.0	\$74.3	\$74.4	\$0.0	\$74.4
Fees	17.8	4.5	22.3	17.6	4.4	22.0	17.7	4.5	22.1
State Appropriation	51.3	0.0	51.3	52.8	0.0	52.8	53.8	0.0	53.8
Auxiliary Sales	0.0	16.2	16.2	0.0	16.4	16.4	0.0	16.4	16.4
All Other Revenue	9.3	0.5	9.8	8.5	0.8	9.3	8.4	0.8	9.2
Total Revenues	\$153.2	\$21.2	\$174.4	\$153.2	\$21.6	\$174.8	\$154.3	\$21.7	\$176.0
Expenditures									
Compensation Summary:									
Salaries and Wages	\$74.6	\$2.6	\$77.2	\$78.8	\$3.0	\$81.8	\$79.4	\$3.1	\$82.5
Benefits	36.5	1.0	37.4	37.7	1.2	38.9	38.5	1.2	39.7
Subtotal, Compensation	\$111.1	\$3.6	\$114.6	\$116.6	\$4.2	\$120.7	\$117.9	\$4.3	\$122.2
Student Financial Aid	7.5	0.4	7.9	8.0	0.4	8.4	7.2	0.4	7.6
Interest Expense	0.9	0.6	1.5	0.8	0.6	1.3	0.7	0.5	1.2
Other Services and Supplies	23.9	13.5	37.5	24.4	14.1	38.5	25.0	14.5	39.5
Subtotal, Services and Supplies	\$32.3	\$14.5	\$46.8	\$33.2	\$15.0	\$48.2	\$33.0	\$15.4	\$48.3
Capital Expenditures	2.5	0.1	2.6	4.9	0.0	4.9	4.7	0.0	4.7
Debt Principal Payments	1.7	1.9	3.5	1.4	1.8	3.2	1.4	1.9	3.3
Total Expenditures	\$147.5	\$20.1	\$167.6	\$156.1	\$21.0	\$177.1	\$157.0	\$21.6	\$178.5
Revenues Less Expenditures	\$5.7	\$1.1	\$6.8	(\$2.9)	\$0.5	(\$2.4)	(\$2.7)	\$0.2	(\$2.5)
Transfers Out To/(In From) Plant and Other Funds	3.7	1.5	5.2	2.5	1.8	4.3	2.5	1.8	4.3
Revenues Less Expenditures and Transfers	\$2.0	(\$0.4)	\$1.6	(\$5.4)	(\$1.3)	(\$6.7)	(\$5.2)	(\$1.6)	(\$6.8)
Supplemental Resources									
Planned Use of Reserves for One-Time Needs/Strategic Initiatives	2.7	0.0	2.7	4.6	0.0	4.6	3.8	0.0	3.8
Revenues and Supplemental Resources Less Expenditures & Transfers	\$4.7	(\$0.4)	\$4.3	(\$0.8)	(\$1.3)	(\$2.1)	(\$1.4)	(\$1.6)	(\$3.0)
Total Unrestricted Net Assets, Estimated End of Year Balance	\$82.6	\$18.4	\$101.0	\$74.1	\$15.8	\$89.9	\$68.2	\$15.4	\$83.6
Total Unrestricted Cash, Estimated End of Year Balance	\$102.6	\$17.7	\$120.3	\$94.1	\$15.1	\$109.2	\$88.2	\$14.7	\$102.9
Annualized FTE Enrollment									
Undergraduate	6,918.9		6,918.9	6,852.8		6,852.8	6,909.9		6,909.9
Graduate	1,398.8		1,398.8	1,405.5		1,405.5	1,378.1		1,378.1
Total Annualized FTE Enrollment	8,317.7		8,317.7	8,258.3		8,258.3	8,288.1		8,288.1
FTE of Budgeted Unrestricted Employees, Net of Turnover									
Faculty	419.7	0.0	419.7	418.7	0.0	418.7	411.0	0.0	411.0
Nonfaculty	438.0	23.3	461.3	436.1	24.3	460.4	432.3	24.3	456.6
Total FTE of Budgeted Employees	857.8	23.3	881.1	854.8	24.3	879.0	843.3	24.3	867.6

Net Tuition Revenue per FTE Student \$6,580 \$6,660 \$6,729
Undergraduate academic year tuition revenue less E&G institutional aid/annualized undergraduate FTE enrollment. Note: this estimate may include aid awarded to graduate students.

	Actual/Estimated	Estimated	Estimated
Fall FTE Student/Fall FTE Faculty Ratio	18.2	18.2	18.6
Fall FTE student/Fall FTE faculty (excludes clock hour students and faculty)			

June 2023 Comprehensive Planning Process Update
West Chester University of Pennsylvania

Preliminary for Approval

(Dollars in Millions)	FY 2022-23 Projected Actuals			FY 2023-24 Budget			FY 2024-25 Projections		
	E&G	Auxiliary	Total	E&G	Auxiliary	Total	E&G	Auxiliary	Total
Revenues									
Tuition	\$151.5	\$0.0	\$151.5	\$148.8	\$0.0	\$148.8	\$148.6	\$0.0	\$148.6
Fees	40.2	7.8	48.0	39.9	8.0	47.9	39.9	8.0	47.9
State Appropriation	81.4	0.0	81.4	86.4	0.0	86.4	88.1	0.0	88.1
Auxiliary Sales	0.0	31.7	31.7	0.0	34.2	34.2	0.0	34.2	34.2
All Other Revenue	18.0	2.4	20.4	16.7	2.3	19.0	16.1	2.3	18.4
Total Revenues	\$291.1	\$41.9	\$333.0	\$291.8	\$44.5	\$336.4	\$292.7	\$44.5	\$337.2
Expenditures									
Compensation Summary:									
Salaries and Wages	\$144.9	\$6.4	\$151.3	\$152.1	\$7.7	\$159.8	\$157.5	\$7.9	\$165.4
Benefits	63.4	3.3	66.7	67.7	4.3	72.0	70.4	4.4	74.8
Subtotal, Compensation	\$208.3	\$9.7	\$218.0	\$219.8	\$11.9	\$231.7	\$227.9	\$12.3	\$240.2
Student Financial Aid	11.0	0.1	11.2	14.5	0.1	14.6	15.3	0.1	15.4
Interest Expense	2.7	0.9	3.7	2.6	0.9	3.5	2.5	0.8	3.3
Other Services and Supplies	44.7	21.1	65.8	48.1	25.0	73.1	47.8	26.3	74.1
Subtotal, Services and Supplies	\$58.4	\$22.2	\$80.6	\$65.1	\$26.0	\$91.2	\$65.6	\$27.2	\$92.8
Capital Expenditures	0.7	0.0	0.8	0.7	0.0	0.8	0.7	0.0	0.8
Debt Principal Payments	2.1	2.4	4.5	2.2	2.0	4.1	2.3	1.9	4.2
Total Expenditures	\$269.6	\$34.4	\$303.9	\$287.8	\$40.0	\$327.8	\$296.5	\$41.5	\$337.9
Revenues Less Expenditures	\$21.5	\$7.5	\$29.1	\$4.0	\$4.6	\$8.6	(\$3.8)	\$3.1	(\$0.7)
Transfers Out To/(In From) Plant and Other Funds	11.4	9.3	20.7	9.1	4.6	13.6	8.4	4.6	12.9
Revenues Less Expenditures and Transfers	\$10.1	(\$1.7)	\$8.4	(\$5.1)	\$0.0	(\$5.1)	(\$12.2)	(\$1.5)	(\$13.7)
Supplemental Resources									
Planned Use of Reserves for One-Time Needs/Strategic Initiatives	10.1	1.7	11.8	14.4	0.0	14.4	14.2	1.5	15.7
Revenues and Supplemental Resources Less Expenditures & Transfers	\$20.2	\$0.0	\$20.2	\$9.3	\$0.0	\$9.3	\$2.1	\$0.0	\$2.1
Total Unrestricted Net Assets, Estimated End of Year Balance	\$99.0	\$43.4	\$142.4	\$94.4	\$41.0	\$135.3	\$84.2	\$42.6	\$126.7
Total Unrestricted Cash, Estimated End of Year Balance	\$129.4	\$44.1	\$173.5	\$124.8	\$41.7	\$166.4	\$114.6	\$43.3	\$157.8
Annualized FTE Enrollment									
Undergraduate	13,762.0		13,762.0	13,611.9		13,611.9	13,612.1		13,612.1
Graduate	1,931.9		1,931.9	1,749.7		1,749.7	1,702.8		1,702.8
Total Annualized FTE Enrollment	15,693.8		15,693.8	15,361.6		15,361.6	15,315.0		15,315.0
FTE of Budgeted Unrestricted Employees, Net of Turnover									
Faculty	812.5	0.0	812.5	924.4	0.0	924.4	924.4	0.0	924.4
Nonfaculty	733.3	92.0	825.3	749.4	101.0	850.4	749.4	100.9	850.3
Total FTE of Budgeted Employees	1,545.8	92.0	1,637.8	1,673.8	101.0	1,774.7	1,673.8	100.9	1,774.7

Net Tuition Revenue per FTE Student \$7,535 \$7,339 \$7,307
Undergraduate academic year tuition revenue less E&G institutional aid/annualized undergraduate FTE enrollment. Note: this estimate may include aid awarded to graduate students.

	<u>Actual/Estimated</u>	<u>Estimated</u>	<u>Estimated</u>
Fall FTE Student/Fall FTE Faculty Ratio	18.2	18.0	18.0
Fall FTE student/Fall FTE faculty (excludes clock hour students and faculty)			

June 2023 Comprehensive Planning Process Update
System Office: ½ of 1%, Off the Top, and Other

**Preliminary
for Approval**

<i>(Dollars in Millions)</i>	FY 2022-23 Projected Actuals	FY 2023-24 Budget	FY 2024-25 Projections
Revenues			
Tuition	\$0.0	\$0.0	\$0.0
Fees	0.0	0.0	0.0
State Appropriation	5.1	5.1	5.2
Auxiliary Sales	0.0	0.0	0.0
All Other Revenue	5.3	5.1	5.1
Total Revenues	\$10.4	\$10.2	\$10.3
Expenditures			
Compensation Summary:			
Salaries and Wages	\$3.9	\$3.9	\$4.0
Benefits	1.5	1.5	1.5
Subtotal, Compensation	\$5.4	\$5.4	\$5.5
Student Financial Aid	0.0	0.0	0.0
Interest Expense	0.0	0.0	0.0
Other Services and Supplies	4.8	4.8	4.8
Subtotal, Services and Supplies	\$4.8	\$4.8	\$4.8
Capital Expenditures	0.0	0.0	0.0
Debt Principal Payments	0.1	0.0	0.0
Total Expenditures	\$10.3	\$10.2	\$10.3
Revenues Less Expenditures	\$0.1	\$0.1	\$0.0
Transfers Out To/(In From) Plant and Other Funds	(0.1)	0.0	0.0
Revenues Less Expenditures and Transfers	\$0.3	\$0.1	(\$0.0)
Supplemental Resources			
Planned Use of Reserves for One- Time Needs/Strategic Initiatives	0.0	0.0	0.0
Revenues and Supplemental Resources Less Expenditures & Transfers	\$0.3	\$0.1	(\$0.0)
Total Unrestricted Net Assets, Estimated End of Year Balance	\$16.2	\$16.2	\$16.2
Total Unrestricted Cash, Estimated End of Year Balance	\$17.7	\$17.8	\$17.8
Annualized FTE Enrollment			
Undergraduate	0.0	0.0	0.0
Graduate	0.0	0.0	0.0
Total Annualized FTE Enrollment	0.0	0.0	0.0
FTE of Budgeted Unrestricted Employees (including Shared Services), Net of Turnover			
Faculty	0.0	0.0	0.0
Nonfaculty	155.3	159.7	159.7
Total FTE of Budgeted Employees (including Shared Services)	155.3	159.7	159.7

Key Systemwide Budget Planning Assumptions

System-wide planning assumptions include the following:

- *Appropriations*— Assumed a 2 percent increase in state appropriations for current and future year projections. The appropriation formula has been updated for 2023-24 and these distributions reflect the latest information, which is carried forward to 2024-25, until such time the formula can be updated with new enrollment data. Note –updated state appropriation allocation for 2023-24 is contained in the State Appropriation Allocation table.
- *Tuition and Fee Rates*— For planning purposes, universities assumed no increase in the rates for tuition, the technology tuition fee, or all university-based fees for current and future years. Universities will budget revenue and associated financial aid from multiyear tuition pricing plans only after those plans have been approved by the Board of Governors; there are currently no approved plans.
- *Enrollment*—Universities were to provide realistic enrollment projections (not targets or aspirational goals) that are based on historical experience, projected demographic changes, continued impact of COVID-19, net projected impact of new academic programs that have been approved, and efforts to strengthen student retention, etc.
- *Expenditures*—Projected expenditures reflect the cost to continue operations into the ensuing years for the anticipated enrollment. Personnel expenditures are projected based on the anticipated annualized FTE employees comprising the workforce for the year and the current and projected pay and benefit rates provided. With the expiration of most collective bargaining agreements, a general two percent increase in salaries is assumed for planning purposes.

Glossary of key budget line items

Revenue/Sources:

Tuition— 2023-24 and 2024-25 tuition revenue projections reflect the impact of changes in enrollment, including any projected changes in mix of residency (in-state vs out-of-state) and level of student (undergraduate vs. graduate). The experience varies widely by university.

Fees— Fee rates vary at each university, with certain rates increasing to align with growing costs and other rates maintained at current levels. Student fees include mandatory fees charged to all students, such as instructional support fees and health center fees, as well as optional fees charged to students for specific services or privileges, such as parking fees.

Also included in this revenue category is the Technology Tuition Fee, set by the Board of Governors. All fee revenue reflects the combined impact of enrollment and any applicable rate changes, which can vary significantly.

State Appropriation—Estimates for 2023-24 and 2024-25 are based on an updated state appropriation allocation formula that will be used to distribute the amount appropriated to the State System in 2023-24 and assumes a 2 percent increase in funding for 2024-25.

Auxiliary Sales—Revenue projections reflect the impact of housing and/or meal plan options selected by students. Fee rates vary within, and between universities, based on options offered. Revenues also include any revenues realized from privatized housing agreements with university-affiliated entities.

All Other Revenue—In addition to any one-time Coronavirus State Fiscal Recovery Funds (CSFRF) universities received and/or are recognizing across all years presented, this category includes unrestricted gifts, contracts, and grants; investment income; revenues from corporate partnerships (e.g., Pepsi); parking and library fines; corrections from prior years; and other miscellaneous revenue sources. Activities generating these revenues vary widely by university.

Expenditures/Transfers:

Compensation— Universities estimate budgeted FTE positions based upon anticipated filled positions; taking into consideration retirements, vacancies, enrollment changes, programmatic requirements, efficiency and productivity efforts, and regular annual turnover in employee complement. Universities review all vacated positions to determine if they must be refilled, eliminated, or repurposed to meet a more critical function. All years reflect the continued actions by universities to align their expenses to their revenue.

Salaries and Wages— Personnel expenditures are projected based on the anticipated annualized FTE employees comprising the workforce for the year, and the current pay requirements for each employee group. These rates include compensation adjustments for all employee groups, as required in existing collective bargaining agreements, and in accordance with previous actions by the Board of Governors. Assumptions of a 2 percent annual increase are used as a placeholder in years where collective bargaining agreements are not in place. This is not to be viewed as a bargaining position. In addition to annual salaries or hourly wages of employees, this category also includes any supplemental pay employees are able to earn (e.g., overtime, overload, summer/winter pay) and any leave payouts due to employees upon separation/retirement.

Benefits—Expenditures primarily reflect costs associated with active employees and annuitants enrolled in the State System’s healthcare plan and the Commonwealth’s healthcare plans, as well as the Commonwealth’s two pension plans and the alternative retirement plan offered by the State System. Other expenditures included in this category are unemployment and workers’ compensation, life insurance, and educational benefits for employees and their families.

Student Financial Aid—Given the emphasis on affordability, retention, enrollment management, and the net price to the student, E&G expenditures for student financial aid have seen significant growth over the past several years and are reflected as a separate category in the budget summary. A portion of aid for the years presented has been funded through one-time federal student success funds.

Interest Expense—Includes all interest expense payments related to outstanding System bonds associated with university-funded E&G and/or Auxiliary facility projects as well as debt payments associated with master lease agreements between a university and its affiliated entities.

Other Services and Supplies—Expenditures in this category support all day-to-day university operations, including utilities; professional services; teaching, office, and custodial supplies; travel; subscriptions and memberships; postage; and noncapital equipment. Costs in several commodity areas were contained through Systemwide strategically sourced procurements. In addition, universities routinely purchase products and services under Commonwealth and other governmental contracts to reduce costs. Expenditures related to the one-time use of Coronavirus State Fiscal Recovery Funds (CSFRF) received in 2021-22 and 2022-23 are reflected in all years presented.

Capital Expenditures—Included in this category are purchases of items such as equipment, furniture, and library materials, as well as land and building improvements that have a useful life that is depreciated over time. The System budgets these expenditures on a cash basis, rather than budgeting depreciation. University capital expenditures vary widely from year to year. Please note: Commonwealth capital funding provided for projects listed in the System’s Five-Year Capital Plan are not reflected in the System’s revenue or expenses.

Debt Principal Payments— Includes all university principal debt payments owed for outstanding System bonds associated with university-funded E&G and/or Auxiliary facility projects as well as debt payments associated with master lease agreements between a university and its affiliated entities.

Transfers to/from Plant Fund—Although not a direct expenditure, transfers represent the institution’s continued annual planned investment in its physical resources from its E&G or Auxiliary Operating budget to its Plant Fund, from which major capital projects are managed. This transfer reflects the university’s ongoing annual financial commitment to maintain its capital infrastructure (physical plant and major capitalized equipment), so that the university can execute necessary multiyear capital projects, addressing deferred maintenance and life-cycle renewal. University transfers to the plant fund vary widely from year to year.

Revenues Less Expenditures and Transfers—This item represents the annual financial plan’s surplus or deficit—the difference between anticipated revenue and planned expenditures and transfers. A positive number reflects a surplus, which typically would result

in a positive operating margin and increasing unrestricted net assets—both of which are Board-approved financial metrics. A negative number reflects a deficit, indicating that planned expenditures/transfers exceed anticipated revenue. It is important to note that a deficit may reflect the intended use of resources that had been saved over years for specific one-time strategic investments and are now being used for that intended purpose, such as funding start-up costs for new programs or major capital equipment purchases. Universities have identified the planned use of their reserved funds to support these one-time strategic investments within the Supplemental Resources section.

Revenues & Use of Supplemental Resources/Adjustments Less Expenditures & Transfers— This item incorporates the results of Revenues Less Expenditures and Transfers and reserve funds that have been directed towards a one-time expenditure.

Unrestricted Net Assets and Cash, Estimated End of Year Balances—The financial model incorporates a multiyear approach to financial sustainability. Sound financial practice results in positive operating margins, where revenue exceeds expenditures and transfers, to create a financial position with net assets that may be used for reinvestment into the institution. Providing the available unrestricted net assets affords the reader an understanding of the university's ability to withstand year-to-year financial challenges, maintain its physical plant, and to invest in its future. When universities deplete unrestricted net assets, the availability of cash is critical for a university to maintain operations with its own resources.

Annualized FTE Enrollment— FTE enrollment should be based on freeze/census data for fall and spring semesters and end-of-term data for winter and summer sessions and calculated as follows: 30 undergraduate credit hours = 1 FTE and 24 graduate credit hours = 1 FTE. All credit hours attempted throughout all semesters/sessions throughout the year should be used in the annualized FTE calculations.

Annualized FTE Employees, Net of Turnover— includes all active positions that are filled or vacant but authorized to be filled. FTE associated with vacant, but authorized, positions represent the proportion of the year for which the position is anticipated to be filled, based on the anticipated start date. With the exception of faculty, 1.0 FTE should reflect 37.5 or 40 hours of work (or normal workweek) for 52 weeks. Faculty FTE are based on the number of contract hours worked, where 24 contract hours in a fiscal year equals 1.0 FTE. Although faculty workload may exceed 1.0 (e.g., overload, summer assignments), faculty FTE for budgeting purposes should not exceed 1.0 FTE for any particular employee.

Net Tuition Revenue per FTE Student—Calculated as tuition and fee revenue for the academic year (fall and spring semesters) from undergraduate students, less university-funded financial aid (i.e., institutional aid), divided by the undergraduate annualized FTE. The difference between this net amount and the gross amount charged to undergraduate students represents the average discount undergraduate student receive. Note – the institutional aid may encompass aid to graduate students.

FULL BOARD CONSIDERATION



Pennsylvania's
STATE SYSTEM
of Higher Education

Board of Governors Meeting

April 20, 2023

SUBJECT: 2023-24 and Tentative 2024-25 Basic Tuition and Technology Tuition Fee Rates

UNIVERSITIES AFFECTED: All

BACKGROUND: State System universities provide high quality educational experiences while continuing to be among the most affordable four-year institutions in Pennsylvania—striving to provide every student the opportunity to achieve success and upward mobility. It is critical to both student success and university success that PASSHE universities control costs and use tuition and institutional aid strategically to keep tuition as low as possible for those with the greatest financial challenges.

To further improve student affordability and access to high quality educational opportunities, the State System is proposing to freeze tuition and the technology tuition fee for a fifth consecutive year in 2023-24. As outlined in the policy, the tentative rate for 2024-25 will be calculated based on the most current three-year average increase in the State System's basic tuition rate. The State System will continue to monitor its funding sufficiency and propose a tuition rate for 2024-25 for Board consideration in 2024.

MOTION: That the Board of Governors approves the 2023-24 and Tentative 2024-25 Tuition Schedule (Attachment 1) and the 2023-24 and Tentative 2024-25 Technology Tuition Fee Schedule (Attachment 2).

Supporting Documents Included: 2023-24 and Tentative 2024-25 Tuition Schedule (Attachment 1) and 2023-24 and Tentative 2024-25 Technology Tuition Fee Schedule (Attachment 2)

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

Reviewed by: N/A

Prepared by: Molly Mercer

Email: mmercerc@passhe.edu

**Pennsylvania's State System of Higher Education
Approved 2023-24 and Tentative 2024-25 Tuition Rates**

*Summary for Typical System Student
Excludes Rates for Board-Approved Alternative Tuition Pricing*

Student Classification	2022-23 Rates		Proposed 2023-24 Rates				Tentative 2024-25 Rates			
	Per Credit ¹	Full-Time	Per Credit ¹	Full-Time	Change		Per Credit ¹	Full-Time	Change	
		Academic Year		Academic Year	\$	%		Academic Year	\$	%
Typical Undergraduate In-State Rate										
In-State	\$322	\$7,716	\$322	\$7,716	\$0	0.0%	\$322	\$7,716	\$0	0.0%
Typical Graduate In-State Rate	\$516	n/a	\$516	n/a	\$0	0.0%	\$516	n/a	\$0	0.0%
Technology Tuition Rate										
Undergraduate In-State	\$20	\$478	\$20	\$478	\$0	0.0%	\$20	\$478	\$0	0.0%
Undergraduate Out-of-State	\$30	\$728	\$30	\$728	\$0	0.0%	\$30	\$728	\$0	0.0%
Graduate In-State	\$28	n/a	\$28	n/a	\$0	0.0%	\$28	n/a	\$0	0.0%
Graduate Out-of-State	\$40	n/a	\$40	n/a	\$0	0.0%	\$40	n/a	\$0	0.0%

¹ For graduate student charges and undergraduate part-time, summer, interim session student charges. In addition, Millersville and Shippensburg Universities charge in-state undergraduate students on a per-credit basis.

Note: At the discretion of each university president, out-of-state tuition rates may vary for online programs.

Pennsylvania's State System of Higher Education
Approved 2023-24 and Tentative 2024-25 Technology Tuition Fee Schedule

Student Classification	2022-23	Proposed 2023-24	Change		Tentative 2024-25	Change	
			Amount	Percent		Amount	Percent
<i>Full-Time Academic Year</i>							
In-State Undergraduate	\$478	\$478	\$0	0.0%	\$478	\$0	0.0%
Out-of-State Undergraduate	\$728	\$728	\$0	0.0%	\$728	\$0	0.0%
<i>Full-Time Semester</i>							
In-State Undergraduate	\$239	\$239	\$0	0.0%	\$239	\$0	0.0%
Out-of-State Undergraduate	\$364	\$364	\$0	0.0%	\$364	\$0	0.0%
<i>Per Student Credit Hour</i>							
<i>(For part-time and graduate students)¹</i>							
In-State Undergraduate (less than 12 credits)	\$20	\$20	\$0	0.0%	\$20	\$0	0.0%
Out-of-State Undergraduate (less than 12 credits)	\$30	\$30	\$0	0.0%	\$30	\$0	0.0%
In-State Graduate	\$28	\$28	\$0	0.0%	\$28	\$0	0.0%
Out-of-State Graduate	\$40	\$40	\$0	0.0%	\$40	\$0	0.0%

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

Board of Governors Meeting

July 20, 2023

SUBJECT: Resolution 2023-02: *Exercising the Fiduciary Responsibility of the Board of Governors for Efficient, Effective, and Financially Sustainable Universities*

UNIVERSITIES AFFECTED: All

BACKGROUND: Over the past five years, the Board of Governors has worked to establish a policy environment that effectuates its fiduciary responsibilities by promoting efficient, effective, and financially sustainable universities that deliver a high-quality, affordable education to Pennsylvanians. With an eye toward continuous improvement, the following resolution codifies a number of enhancements to existing policies, processes, incentives and supports that contribute to sustainable operations including:

- Developing, reviewing, approving, and reporting on university and System operating and capital budgets (1993- A: *Budgetary Reporting and Review*);
- Routinely measuring universities' financial health, and taking concrete actions that address challenges as identified (2019-01: *University Financial Sustainability Policy*);
- A tuition policy that provides flexibility to universities in setting tuition levels that enable them to optimize revenues in pursuit of budgetary goals and improved student success (1992-02-A: *Tuition*);
- Leadership performance management protocol that is specifically linked to compensation (2002-03-A: *Evaluating Presidents*; 2013-02: *Evaluating the Chancellor*);
- Provide a concrete set of actions that are available to the Board through the office of the chancellor that will be used to support universities experiencing continuing challenges (2019-01: *University Financial Sustainability Policy*).

The System will continue to define, provide training in, and require adoption of System operating standards in selected areas (e.g., enrollment management, budget planning and reporting, academic program management) that are critical to a university's financial health. In addition, the audit policy will be revamped to reflect an updated internal audit function that supports third-party review of key system risks including risks arising from operational and financial challenges experienced at any university (1991-06-A: *State System Audit Policy*).

RESOLUTION 2023-02

Exercising the Fiduciary Responsibility of the Board of Governors for Efficient, Effective, and Financially Sustainable Universities

WHEREAS the Board of Governors has a fiduciary responsibility to ensure the short- and long-term health of the State System, the preservation of the System's resources for future generations, and the System's continued ability to achieve its purpose – providing high quality education at the lowest possible cost to students (24 P.S. §2003-A).

WHEREAS Act 188 of 1982 grants the following authorities to the Board—which directs the Chancellor to operationalize—as set forth in PS 24 §2005-A and 24 P.S. §2006-A(a):

- (4) To establish broad fiscal, personnel and educational policies under which System universities shall operate,
- (7) To coordinate, review, amend and approve the annual capital budget requirements of the system, the annual operating budgets of the individual institutions and the operating budget of the chancellor
- (19) To make, issue and enforce board policies, procedures and standards for the management and conduct of the instructional, administrative and financial affairs of the system.

WHEREAS the Board of Governors has already implemented policies related to these authorities—providing a framework to ensure the efficient, effective, and financially sustainable operations of the System and its universities.

WHEREAS State System universities face continuing financial pressure from a variety of sources including but not limited to changes in student and employer demand, demographic shifts, economic cycles, changes in the levels of federal and state funding, technological changes, changes in the labor market including compensation costs, and competition from other higher education providers.

THEREFOR BE IT RESOLVED: To support universities in navigating these challenges and to promote efficient, effective, and financially sustainable universities that deliver a high-quality, affordable education to Pennsylvanians, the Board directs that:

1. All universities shall develop, implement, and adhere to budgets according to guidelines specified by the Chancellor in consultation with the Executive Leadership Group (ELG); such budgets shall:
 - a. be explicitly tied to measurable goals that reflect Board priorities;
 - b. include realistic enrollment projections with respect of revenues and expenditures as well as key cost drivers (personnel costs, debt service, etc.);
 - c. be balanced annually without routine use of reserves;
 - d. align expenditures on academic programs, athletics, student supports and services, including those on related personnel, contracts, etc. so they are aligned with enrollments, adjusting those expenditures as necessary to take account of enrollment trends;
 - e. contribute routinely to reserves to achieve and maintain minimum threshold levels as established by the chancellor
 - f. be reviewed and approved annually by the Board

2. All universities shall be accountable to one another (through the ELG) as well as to the Board for sustainable operations—understanding that the financial condition of any one university has a net impact on the long-term well-being of all.
3. All universities shall implement State System standard practices as set forth in procedures and standards and those required by the Chancellor in consultation with the ELG.
4. The Chancellor, in consultation with the ELG and Board of Governors as appropriate, shall
 - a. maintain, promulgate, and enforce policies and any associated procedures, standards, and guidelines as required to implement this resolution;
 - b. support universities experiencing continuing challenges with a variety of tools that include but are not limited to:
 - i. providing guidance on the management and performance of key operational functions;
 - ii. requiring review and/or audit of operational functions; and
 - iii. requiring a loaned executive for oversight in selected operational functions with a dual reporting relationship to the university and the chancellor.

THEREFORE BE IT FURTHER RESOLVED THAT: In support of this resolution, the Board approves this resolution and the policy modifications shown in the attached materials.

MOTION: That the Board of Governors approves Resolution 2023-02 and the associated policy modifications shown in the attached materials.

Supporting Documents Included: Policies with mark-up

Other Supporting Documents Available: N/A

Reviewed by: Executive Leadership Group; Chancellor; Board of Governors

Prepared by: Randy Goin Jr., Randy

Contact: rgoin@passhe.edu

Effective: July 15, 1993

Page 1 of 2

Policy 1993-03-A: *Budgetary Reporting and Review*

See Also:
[Resolution 2023-02](#)

Adopted: July 15, 1993
Amended: July 12, 2018; [July 20, 2023](#)

A. Statute

In the area of budgetary reporting and review, Act 188 of 1982 states that the Board of Governors shall “coordinate, review, amend, and approve ... the annual operating budgets of the individual institutions, and the operating budget of the chancellor and the Board.” (§ 20-2006-A(7)).

B. Purpose

As part of the Board of Governors fiduciary responsibilities, including but not limited to the short- and long-term financial health of the State System and the achievement of preserving the State System and its resources for future generations, the purpose of this policy is to ensure universities operate in a financially sustainable manner, achieving budgetary goals as will from time to time be set by the Chancellor. It is also pursuant to resolution 2023-20 exercising the fiduciary responsibilities of the Board of Governors (Board) for efficient, effective, and financially sustainable universities. In these regards, the policy ~~The purpose of this policy is to provide a framework for university budgetary reporting and Board review and, by so doing,~~ conforms the practice of the Board with the intent of Act 188. Specifically, the policy provides for a yearly review and approval mechanism for the operating budgets of each university and the budget of the Office of the Chancellor and Board of Governors. This review will be an integral part of the Board’s review and adoption of the State System’s appropriation request for the ensuing fiscal year.

C. Procedure

1. Each university and the Office of the Chancellor shall submit operating budgets (Educational and General budgets and Auxiliary budgets) and such supporting information as may be specified by the chancellor to the Division of Administration and Finance, Office of the Chancellor. The frequency of submission, timing, format, budgetary requirements inclusive of maintaining or achieving minimum primary reserves, and mode of reporting will be established by the chancellor and contained within the Comprehensive Planning Process and defined by associated instructions issued by the chancellor’s office.
2. Budgetary submissions shall include, at minimum, revenue, expenditure, and supporting data for the prior fiscal year, current fiscal year, and the request fiscal year.

3. The submission, to be forwarded to the chancellor's office, shall be shared in summary form with the Board.
- ~~4. The Board's review of the budgets shall include assumptions for tuition rates and associated revenue, appropriations, and other sources of revenue, as well as expenditure projections for the future fiscal year.~~
5. The Board shall review and ~~formally~~ approve the annual operating budget submission of each university. The chancellor shall notify each president of the Board's action, including any amendments ~~or comments~~ that are required to be implemented.
6. The approved budgetary submissions, including any amendments adopted by the Board, shall form the basis for the State System's appropriation request, which is submitted to the Executive Branch and General Assembly in accordance with the provisions of Act 188 and Article VI of the Administrative Code of 1929.

POLICY 2019-01: University Financial Sustainability Policy

See Also:

[Resolution 2023-02](#)

Adopted: October 16, 2019

[July 20, 2023](#)

I. Purpose

The Board of Governors (Board) has established annual reporting mechanisms that allow all stakeholders to have greater awareness of each university's academic, financial, and operational conditions. These tools (e.g., financial risk assessment, university financial statements) provide data for each university at the local and System levels.

As reflected in the everchanging national landscape of higher education, universities may face financial pressure from shifting and declining student populations, stagnant or declining appropriations, unfunded mandates, economic downturns, employee compensation costs, and other challenging events. Additionally, as new opportunities or innovations occur in this environment, universities may seek seed funding to spur growth.

Pursuant to the Board's and thus the chancellor's responsibility, as set forth in 24 P.S. §2005-A and 24 P.S. §2006-A(a)(4) to establish broad fiscal policies under which System universities shall operate, this policy provides a proactive framework by which university and System leaders can collaborate to enhance an institution's financial success. [It is also pursuant to a Resolution 2023-02, exercising the fiduciary responsibilities of the Board for efficient, effective, and financially sustainable universities.](#)

II. Definitions

- A. Liquidity Loan—Loans, temporary cash for operations for universities that have declining cash balances and are to be repaid according to loan agreements, which include loans from within university accounts (intra-university) and loans from within the System.
- B. Investment Initiative—Start-up funding for strategic or innovative investments to enhance a university's success which must comply with established reinvestment agreements.
- C. Executive Leadership Group (ELG)—The State System Executive Leadership Group (ELG) comprised of university presidents and the chancellor of the State System for the purpose of effective leadership and management oversight of the State System strategies and initiatives for the advancement of System students and the Commonwealth.

III. Guiding Principles

- A. University financial goals must be realistic, mission-driven, explicit, and transparent.
- B. In a healthy system, a university's resource base should be stable and secure enough to perform its mission in a sustainable and predictable shared environment.
- C. The university should have sufficient organizational capacity and autonomy for the president to oversee the successful operation of the university and fulfill his/her responsibilities to the Board as prescribed in Act 188 of 1982.
- D. Each university also has a net impact on the long-term wellbeing of the System; as such, decisions of the university must align to the mission of the university and the System.
- E. Loans and/or investments to a university must not jeopardize the overall financial health and stability of the System or place undue burden on any other individual university.

IV. Processes for Enhancing University Financial Sustainability

- A. For each university, a collaborative review process inclusive of the chief academic officers, chief financial officers, presidents, and Council of Trustees will occur on a periodic basis. (Refer to administrative procedures and standards.)
- B. In consultation with the Executive Leadership Group, the chancellor/designee shall receive the review of the specific conditions and financial indicators based on the administrative procedures and standards in order to determine the financial status of each university. This review may lead to ameliorative actions.
- C. In consultation with the Executive Leadership Group, the chancellor/designee shall review requests for investment initiatives and render a decision.
- D. In consultation with the Executive Leadership Group, the chancellor/designee shall review requests for liquidity loans as part of the financial sustainability plan (refer to administrative procedures and standards). The financial sustainability plan shall be developed through a collaborative process.
 - i. For intra-university loans, the financial sustainability plan will be presented to the university and the Council of Trustees for consideration and acceptance.
 - ii. For loans from within the System for universities at risk of insolvency, the Board may authorize and approve any loan recommendation coming forward from the Executive Leadership Group and the chancellor/designee.

V. Criteria for Determining University Financial Status

- A. Universities will be considered across a spectrum of indicators as described in the administrative procedures and standards, where performance is evaluated against minimum thresholds established within the associated procedure/standard. Those indicators and any associated minimum thresholds will include but not be limited to:
 - 1. Enrollment trends.
 - 2. Revenue.
 - 3. Operating margin.
 - 4. Assets/liabilities.
 - 5. University reserves.
 - 6. Projected cash balances.
 - 7. Additional Board-affirmed metrics.

- B. Based on the review of the university-specific conditions and financial indicators as described in the administrative procedures and standards, universities will be placed across a spectrum which will require varying levels of financial sustainability plans.
- C. Ameliorative actions may be required depending on the university's status at the time of evaluation. Actions will be enumerated within the administrative procedures and standards.
- D. If, as part of the foregoing actions, ~~a financially insolvent university has received a liquidity loan from within the System and the loan cannot be repaid, or~~ financial or operational circumstances dictate the need for immediate action, the chancellor/designee, in consultation with the Executive Leadership Group, and as directed by the Board of Governors, may require additional external assistance and actions, and/or may temporarily or indefinitely suspend or with guidance from the ELG, take over responsibility for some or all operations of a university. ~~that has been deemed to be financially insolvent. Actions will be enumerated within the~~ administrative procedures and standards.

VI. Policy Implementation

- A. The chancellor, in consultation with the Executive Leadership Group and Board of Governors as appropriate, shall promulgate procedures, standards, related policies and guidelines as necessary to ensure proper implementation of this policy.
- B. Any changes to procedures, standards, and guidelines shall be promulgated through the chancellor, after consultation with the Executive Leadership Group and Board of Governors.
- C. Effective Date - Immediately.

POLICY 1999-02-A: TUITION

See Also:

[Resolution 2023-02](#)

Adopted: April 8, 1999

Amended: October 10, 2002, July 14, 2005,
October 11, 2007, July 17, 2008,
January 20, 2011, January 26, 2017,
April 4, 2019, and [July 20, 2023](#)

A. Purpose

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

This policy, [which is also pursuant to Resolution 2023-02 exercising the fiduciary responsibilities of the Board of Governors \(Board\) for efficient, effective, and financially sustainable universities](#), is intended to:

- Provide students access to high-value, relevant educational experiences that prepare them for pathways to successful lives and careers.
- Allow State System universities to plan, budget, and allocate resources over multiple years, ensuring their long-term stability and success.
- Keep tuition predictable, enabling students to plan for their educational expenses.
- Provide access to State System universities for a range of qualified students from all socioeconomic backgrounds.
- Recognize and support individual university missions, scope, and program array.

B. Philosophy and Objectives

The State System is responsible for and committed to ensuring that qualified Pennsylvania residents have access to State System universities and quality education at affordable prices. Because the students benefit from the education they receive, they have a responsibility to pay a reasonable share of the costs through tuition. Because Pennsylvania benefits from having an educated citizenry, the state also has a responsibility to bear a substantial portion of the costs through taxpayer support. The State System also has a responsibility to maximize the efficiency of its operations to minimize the cost to taxpayers and students.

Affordability has a different meaning for each individual based on their available financial resources and ability to pay. Student-centered tuition policies must include affordability strategies that focus on the student's ability to pay and net price to the student, with a result of aligning enrollment, aid to students, and net revenue. University-based pricing strategies recognize regional economic differences in costs, household income, cost of living, and average buying power within the region. Such

approaches allow each university the flexibility to become unique in its marketplace, ensuring an appropriate array of high-value academic programs, while reducing competition among State System universities.

Affordability strategies allow universities to maximize their specific strengths and regional opportunities to better serve the citizenry of the Commonwealth.

C. Definitions

- **Basic Tuition Rate**—A tuition rate approved by the Board that is charged to students at universities that do not have a separately approved pricing strategy.
- **Graduate Student**—A student who holds at least a bachelor's or first professional degree and is enrolled at the graduate level, including nondegree students in graduate courses who may or may not be admitted to a graduate degree or certificate program.
- **In-State Student**—A student who is legally domiciled in Pennsylvania, as defined in Board of Governors Policy 1985-03, *Student Domicile Regulations*.
- **Institutional Aid**—University-funded financial assistance to a student for the purpose of undertaking for-credit course work, not to exceed the full cost of attendance less other grant awards. Sources include university restricted and unrestricted gifts, revenue from university endowments, and the university's general (or foregone) revenues; but exclude federal or state grant aid, private scholarships, affiliate scholarships, institutional matches for externally funded student aid grants, loans, tuition waivers as articulated in Board of Governors Policy 1983-18-A: *Waiver of Tuition and/or Fees*, tuition benefits for university employees or their spouses/dependents, or tuition exchange programs.
- **Net Price**—From the perspective of the student, the price the student must pay to the university. Net price is calculated as the student's tuition, fees, room and board, less institutional aid and all other grants, scholarships, and waivers received by the student.
- **Net Revenue**—Gross tuition and fee revenue less total institutional aid.
- **Out-of-State Student**—A student who is not legally domiciled in Pennsylvania, as defined in Board of Governors Policy 1985-03, *Student Domicile Regulations*.
- **Technology Tuition Fee**—A separate tuition fee established by the Board for rendering technology resources and services to enhance student learning experiences.
- **Tuition**—The basic fee established by the Board for rendering educational services, as enumerated in Act 188 of 1982. The technology tuition fee is a form of tuition.
- **Undergraduate Student**—A student in a bachelor's degree program, an associate's degree program, a vocational, technical, or certificate program below the baccalaureate level; or a nondegree-seeking student matriculated in a lower or upper division course.

D. Guidelines

To aid in recruiting and providing students and families with meaningful information on the cost of attending a State System university before the student needs to commit, both the Board, for tuition, and councils of trustees, for fees, shall approve rates as early as possible. Tuition rates will be set annually ~~no later than April 30~~ for the upcoming two academic years. The second year, based on the most current three-year average increase in the State System's basic tuition rate, will be set as tentative, ~~with the opportunity to be adjusted no later than April 30 prior to the start of that academic year~~. This does not preclude the Board from adjusting rates at a later date due to unforeseen circumstances.

1. In-State Tuition

a. Undergraduate

- 1) The president, in consultation with the council of trustees, and upon concurrence of the chancellor, ~~shall~~ **may** recommend multiyear university tuition strategies for approval by the Board.
 - i. A president's recommendations must include tuition rate(s), rate structure(s), and net price strategies proposed for their university. University tuition strategies may incorporate the wide variety of practices used across the nation in public higher education, but all must include net price strategies to minimize financial barriers to student access and success and net revenue strategies to serve the needs and best interests of the university and the System. The president must develop university procedures for establishing, maintaining, administering, and assessing the university's strategic pricing programs.
 - ii. The chancellor, in consultation with the presidents, will establish the expectations and framework for sharing information in support of university strategic pricing proposals. The framework must include a description of the proposed multiyear pricing strategy, supported by proven strategies founded in research; an analysis of the cost, benefit, and risk to the university based on a range of possible outcomes; and demonstration of adequate administrative capacity, as well as administrative and financial capability.
 - iii. The president will provide to the chancellor periodically an assessment of any in-state tuition strategies that have been approved by the Board. The assessment must address, at a minimum, enrollment, total and net revenue, student access, student affordability, and student success.
- 2) The Board shall approve a basic tuition rate for those universities that do not have an approved pricing strategy. Undergraduate students enrolled in 12–18 credits in a fall or spring semester will be charged a full-time tuition rate, unless otherwise approved by the Board [see section D.1.a.1)]. The full-time rate is equal to the per-credit rate for 12 credits per semester.

Undergraduate students enrolled in a fall or spring semester for more than 18 credits will be charged a full-time tuition rate for the first 18 credits and the appropriate per-credit rate for all remaining credits.

- 3) The president may adjust tuition rate(s) to allow the university to establish partnerships with other institutions in collaborative/consortial arrangements. The chancellor, in consultation with the presidents, may adjust tuition rate(s) to allow the State System to establish partnerships with other institutions or entities in collaborative/consortial arrangements.
- b. Graduate
- 1) The Board will establish annually basic graduate in-state tuition rate(s) on a per-credit basis that recognizes the higher cost of providing graduate education.
 - 2) The president may set alternate graduate tuition rate(s), based upon such factors as the cost of instruction, the level of service provided to the student, market demand, and the level of tuition necessary for the university to offer programs.

2. Out-of-State Tuition

Students from other states and countries who enroll at State System universities add a richness of experience and diversity that benefits all students and their universities. However, those students must pay an additional amount of tuition, which offsets the Commonwealth's contribution intended to subsidize the education of Pennsylvanians. The president will establish annually out-of-state tuition rate(s) in accordance with the statutory requirement for a price differential between in-state and out-of-state tuition.

3. Technology Tuition Fee

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

4. Implementation

The chancellor shall promulgate procedures and standards as necessary to ensure proper implementation of this policy. ~~Amendments approved April 4, 2019 are effective for fall 2020.~~

Effective: April 11, 2002

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Policy 2002-03-A: *Evaluating Presidents*

See Also: 24 P.S. §§ 20-2001A, *et seq.*;
Board of Governors' Policy 2002-02;
[Resolution 2023-02](#)

Adopted: April 11, 2002
Amended: April 8, 2010, January 22, 2015;
[July 20, 2023](#)

A. Purpose

In order to promote a systematic analysis for improvement at each University and to meet performance expectations and requirements of the Pennsylvania's State System of Higher Education (PASSHE), an evaluation system for the assessment of a President's performance and development is established.

The purpose of evaluating a President is to assess leadership and administrative performance in the context of the University's and the System's mission, vision, and strategic goals. The role of any University President is complex and diverse. Accordingly, the performance evaluation process must reflect this role and scope of a President's leadership and administrative duties and expectations while fostering and encouraging professional growth and development not only for the President but for the University as well.

1. Evaluation of performance promotes accountability

The evaluation ensures accountability for a President's decisions. While administrative decisions are, in part, governed by Act 188 and Board of Governors' policies, other factors that drive these decisions also include legal limitations, ethical obligations, and economic realities. The actions of the President are integral to the success of the University and the persons affected by the University -- students, faculty, staff, the community, trustees, alumni, and supporters.

2. Evaluation provides an objective context for assessing performance

The role of the President is part of a much larger University framework; actions taken by Presidents have important and long-term impact on how a University operates and affects University constituencies.

3. Evaluation promotes and strengthens effective leadership

Leadership should be based on demonstrated results. Evaluation increases understanding and appreciation for the President's tasks and accountability for the outcomes.

4. Evaluation provides systematic evidence of effectiveness

Evaluation provides an orderly and structured process for gathering objective evidence about performance. The evaluation should be based on well-defined criteria that include process and outcome data. Systematic methodology clearly specifies who will evaluate the President, when the evaluation should be conducted, and in what manner. In addition, the evaluation framework specifies how evaluation results will be disseminated and used.

5. Evaluation provides a means for determining University goal achievement

Development of the University requires effective leaders who [help establish and advance](#) the University's goals. By focusing at least in part on performance outcomes, the evaluation process requires that institutional goals be periodically reviewed and progress towards those goals be detailed.

6. Evaluation provides a means for leadership development

Development of the President is a key outcome of the evaluation process. The growth and development of the President has benefits for the individual and the University. The development plan should be based on opportunities derived from the evaluation process.

B. Evaluation Process

Upon the selection of the President and as part of the President's orientation, the Chancellor will explain the performance evaluation process. The Chancellor will provide a summary of the process including, but not limited to, its purpose, participant roles and responsibilities, schedule, substance and procedures. The following is an explanation of the two types of performance evaluation and professional development plans that are to be conducted under this policy.

1. **Annual Evaluation** – The goal of the annual evaluation is to ensure that continuing and substantial progress towards the achievement of goals and objectives described below is made each year. This evaluation is conducted by the University Council of Trustees led by an evaluation committee of at least three members appointed by the Chair of the Council of Trustees whose chair shall be named by the Chair of the Council of Trustees. The committee will work in collaboration with the Office of the Chancellor to complete the following tasks:

- a. an assessment of the President's performance of the defined duties and responsibilities.
- b. an assessment of the achievement of, or progress toward achieving, the goals and objectives that were agreed upon by the Chancellor, the Chair of the Council of Trustees, and the President at the beginning of the evaluation period consistent with university and System strategic directions, plans and goals.
- c. a review of university performance results provided by the Chancellor.

Constituency interviews will not be a part of the annual evaluation; however, it is expected that the trustees' ongoing engagement of university constituencies in matters of importance to the university will inform the evaluation process. The results of this evaluation are to be submitted to the Board of Governors [Human Resources](#)

~~Committee~~ Governance and Leadership Committee, along with the Chancellor's assessment, for review by the committee and consideration and action by the Board. At the conclusion of the evaluation process, the President shall receive the annual evaluation in writing from the Chancellor and Chair of the University's Council of Trustees. The Chair of the Council of Trustees will disseminate the outcome of the evaluation process to university constituents including students, faculty and staff after sharing such information with the president.

2. **~~Triennial~~ Comprehensive Evaluation** – The goal of the ~~triennial~~ comprehensive evaluation is to ensure that continuing and substantial progress towards the achievement of goals and objectives described below is made each year along with systematic input from constituencies. This ~~triennial~~ comprehensive evaluation is conducted ~~every third year~~ by the University Council of Trustees led by an evaluation committee of at least three members appointed by the Chair of the Council of Trustees, whose chair shall be named by the Chair of the Council of Trustees. The comprehensive evaluation shall be completed no less than 12 months prior to the end of the president's employment agreement. The Chancellor, in consultation with the President and the Chair of the Council of Trustees, will identify a consultant with expertise in presidential and university leadership to assist the committee. The committee will work in collaboration with the Office of the Chancellor to complete the following tasks:
 - a. an assessment of the President's performance of his or her defined duties and responsibilities. This will include formal, systematic input from University constituencies.
 - b. an assessment of the achievement of, or progress toward achieving, the goals and objectives that were agreed upon by the Chancellor, the Chair of the Council of Trustees, and the President at the beginning of the evaluation period consistent with University and System strategic directions, plans and goals.
 - c. a review of University performance results provided by the Chancellor.
3. The results of the evaluation are to be submitted to the Board of Governors' ~~Human Resources Committee~~ Governance and Leadership Committee, along with the Chancellor's assessment, for review by the Committee and consideration and action by the Board. The Chair of the Council of Trustees will disseminate the outcome of the evaluation process to University constituents including students, faculty and staff after sharing such information with the President.

C. **Roles and Responsibilities**

President – The President shall prepare a written self-evaluation of performance for the evaluation period. This self-evaluation shall report on the achievement of, or progress toward achieving, the goals and objectives that were agreed upon by the Chancellor, the Chair of the Council of Trustees, and the President at the beginning of the evaluation period consistent with University and System strategic directions, plans and goals.

Consultant – The Chancellor will identify and fund the cost of consultants experienced in presidential and university leadership to assist in the ~~triennial~~ comprehensive evaluation process. The consultant's role is to work with the evaluation committee in preparing an objective and thorough process based on this policy and to bring an objective, external perspective on the President's leadership in enabling the University to achieve its strategic directions, plans and goals. In addition to supporting the performance evaluation process, the consultant may be asked to provide professional development and mentoring support to a President and/or Council of Trustees.

The University Council of Trustees Evaluation Committee - The Chair of the Council of Trustees will appoint a committee each year of at least three members for the purpose of administering the Council of Trustees evaluation procedures described in this policy and Act 188 of 1982.

Chancellor's Liaison - A Chancellor's Liaison will be appointed by the Chancellor to work with the evaluation committee. The Liaison will assist the committee in the performance review process

D. Performance Goals and Indicators

At the beginning of each evaluation year, the President will outline individual and University performance goals with specific performance indicators reflective of the University and the System's Strategic directions, plans and goals in consultation with the Chancellor and the University's Council of Trustees. This information will subsequently serve as a key element of the performance evaluation of the President. During the year, the President is responsible for informing the Chancellor and the University's Council of Trustees of his or her progress, any major changes as well as any operational or other issues that may impact the President's ability to achieve the agreed upon goals and objectives. Prior to the end of the performance evaluation period, the President is to complete a self-evaluation of his or her performance detailing individual, leadership team and university accomplishments and current University performance data. [Performance against goals shall be considered in setting presidential compensation, for which the process shall be set forth in Procedure & Standard 2018-36: Executive Compensation and Retention of Presidents.](#)

E. Evaluation Committee Report

Each evaluation committee will prepare a report incorporating the assessments of the President's performance, performance results provided by the Chancellor and any additional evaluation materials that may be available for the committee's review.

F. Evaluation Report Prepared for Board Review

A complete evaluation report will include:

1. Annual university performance results;
2. Chancellor's assessment of the President's performance;
3. Council of Trustees' evaluation committee report of the President's performance;
and
4. President's self-evaluation.

The Board of Governors will review the completed evaluations of presidents in making its decisions regarding the extension of president employment agreements and determining compensation.

G. Professional Development Plan

A key focus of the performance evaluation process is the continuing professional and leadership development of each President. In order to achieve this goal, the Chancellor and each Council of Trustees Chair will develop a professional development plan with the President.

H. Chancellor and Council of Trustees Evaluation Review

Based on a schedule and timeline provided by the Chancellor, each President will meet with the Chancellor, the Chair of the Council of Trustees and the chair of the evaluation committee to plan for the upcoming performance year and review the results of the current year performance evaluation. The chair of the evaluation committee will communicate the results of the review to trustees and subsequently to constituencies through an executive summary posted on the University website after sharing such information with the president.

I. Effective Date: This policy will set forth the President's evaluation process effective ~~July 1, 2015~~ immediately.

Effective: January 24, 2013

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Policy 2013-02: *Evaluating the Chancellor*

See Also: 24 P.S. §§ 20-2001A, et seq.;
Board of Governors' Policy 2002-02
[Resolution 2023-02](#)

Adopted: January 24, 2013
Amended: [July 20, 2023](#)

A. Purpose

In order to promote a systematic analysis for improvement of the Pennsylvania State System of Higher Education (PASSHE) and to meet performance expectations and requirements of the Board of Governors (hereinafter Board), an evaluation system for the assessment of a Chancellor's leadership, performance and development is established.

The purpose of evaluating the Chancellor is to assess the quality and substance of administrative performance in the context of the PASSHE mission, vision and strategic goals. The role of the Chancellor is complex and diverse. Accordingly, the performance evaluation process must reflect this role and scope of a Chancellor's administrative duties and the Board's expectations while fostering and encouraging professional growth and development in professional competence and leadership, not only for the Chancellor, but also for the System as well.

1. *Annual evaluation of performance promotes accountability*

The annual evaluation establishes accountability for a Chancellor's decisions. While administrative decisions are, in part, governed by Act 188, PASSHE and Board policies, other factors that drive these decisions include legal limitations, ethical obligations and economic realities. The actions of the Chancellor are integral to the success of PASSHE and the persons affected by PASSHE – students, faculty, staff, the community, trustees, alumni and supporters.

2. *Annual evaluation provides an objective context for assessing performance*

The various roles of the Chancellor are part of a much larger framework, thus they are embedded within PASSHE. Actions taken by the Chancellor have important and long-term impact as to how the System operates and affects constituencies.

3. *Annual evaluation promotes and strengthens effective leadership*

Leadership should be based on demonstrated results. Annual evaluation, when conducted, increases understanding and appreciation for the Chancellor's tasks and accountability for the outcomes.

4. Annual evaluation provides systematic evidence of effectiveness

Annual evaluation provides an orderly and structured process for gathering objective evidence about performance. The evaluation should be based on well-defined criteria that include process and outcome data. Systematic methodology clearly specifies who will evaluate the Chancellor, when the evaluation should be conducted and in what manner. In addition, the evaluation framework specifies how evaluation results will be disseminated and used.

5. Annual evaluation provides a means for determining PASSHE goal achievement

Development of PASSHE requires effective leaders who embrace and promote its vision, mission and goals. By focusing at least in part on performance outcomes, the evaluation process requires that System goals be periodically reviewed and progress toward those goals be detailed.

6. Annual Evaluation provides a means for leadership development

Development of the Chancellor is a key outcome of the evaluation process. The growth and development of the Chancellor have benefits for the individual and PASSHE. The development plan should be based on opportunities derived from the evaluation process.

B. Evaluation Process

Upon the selection of the Chancellor and as part of the Chancellor's orientation, the Board's Executive Committee, led by the Chairperson, will explain the performance evaluation process. The Chairperson or designee will provide a summary of the process including, but not limited to, its purpose, participant roles and responsibilities, schedule, substance and procedures. The following is an explanation of the two types of performance evaluation and professional development plans that are to be conducted under this policy.

- 1. Annual Evaluation** - This evaluation is conducted every year by the Board's Chancellor Evaluation Committee consisting of at least three members of the Board, including the Chair of the ~~Human Resources~~ Governance and Leadership Committee, appointed annually by the Chairperson of the Board. The Chancellor Evaluation Committee will be supported by the staff of the Office of the Chancellor. The results of this evaluation are to be submitted to the Executive Committee, along with the Chancellor's self-assessment, for consideration and action by the Board. At the conclusion of the evaluation process, the Chancellor shall receive the annual evaluation in writing from the Chairperson of the Board. The Chairperson will have the responsibility of disseminating the outcome of the evaluation process to constituents.
- 2. Triennial Comprehensive Evaluation** - This process differs from the Annual Evaluation in that it is completed no less than 12 months prior to the end of the chancellor's employment agreement and is supported by an external consultant from a list of approved experts maintained by the Office of the Chancellor. ~~'s procurement department~~. The Board's Chancellor Evaluation Committee chair selects the consultant from this approved list to work in collaboration with the committee in conducting the Chancellor evaluation.

C. Roles and Responsibilities

Board Chairperson – The Chairperson of the Board is responsible for appointing the Chancellor's Evaluation Committee, assuring the policy of the Board and all legal requirements are followed and the results are communicated to the Chancellor and appropriate constituents.

Chancellor – The Chancellor shall prepare a written self-evaluation of performance for the evaluation period. This self-evaluation shall report on achievement of, or progress toward achieving, the mission, goals and strategies that were agreed upon by the Chancellor, the Chairperson of the Board and the Executive Committee at the beginning of the evaluation period.

Chancellor Evaluation Committee – The Chancellor Evaluation Committee, consisting of at least three members of the Board appointed annually by the Chairperson of the Board shall, be responsible for conducting the annual evaluation of the Chancellor and the triennial evaluation of the Chancellor in conjunction with a consultant.

Consultant – The Board's Chancellor Evaluation Committee chair will identify an experienced consultant to assist in the ~~triennial~~ comprehensive evaluation process. The consultant's role is to work with the Chairperson of the Board and the Chancellor Evaluation Committee in preparing an objective and thorough process based on this policy. In addition to supporting the performance evaluation process, the consultant may be asked to provide professional development and mentoring support to the Chancellor and/or Board.

Office of the Chancellor's Liaison - A Chancellor's Liaison will be appointed by the Board Chairperson to work with the Evaluation Committee. The Liaison will assist the committee in the performance review process, including the identification of constituents to engage in the process and participation as appropriate in the activities of the Committee.

D. Performance Goals and Indicators

At the beginning of each annual and ~~triennial~~ evaluation ~~year~~ period, the Board Chairperson will outline individual and System performance goals with specific performance indicators reflective of PASSHE's long-term strategic plan and goals. This will occur in consultation with the Board Chairperson and Executive Committee. This information will subsequently serve as a key element of the performance evaluation of the Chancellor. During the evaluation year period, the Chancellor is responsible for informing the Board Chairperson and the Executive Committee of his or her progress, any major changes as well as any operational or other issues that may impact the Chancellor's ability to achieve the agreed upon goals. Prior to the end of the performance evaluation period, the Chancellor will complete a self-evaluation of his or her performance detailing individual, leadership team, and PASSHE accomplishments and current PASSHE performance data. Performance against goals shall be considered by the Executive Committee of the Board in setting compensation.

E. Board of Governors' Evaluation Committee Report

The Chancellor Evaluation Committee will ~~prepare~~ provide a summary report using performance data from the system research office, the results of the PASSHE evaluation process, verbatim compilation of constituent feedback (for comprehensive evaluations), and any additional evaluation data that may be available for the committee's review. This written report will be submitted to the Board in accordance with a schedule approved by the Board Chairperson.

F. Evaluation Summary Prepared for Board of Governors Review

A complete evaluation summary will include:

- Annual PASSHE performance outcomes (system accountability reports);
- Board's assessment of the Chancellor's performance;
- The Chancellor Evaluation Committee's compilation of constituent feedback (for comprehensive evaluations) and evaluation of the Chancellor's performance; and the Chancellor's self-assessment.

The Board Executive Committee will review the completed evaluation of the Chancellor in making its decisions regarding the extension of the Chancellor's contract and determining compensation.

G. Professional Development Plan

A key focus of the performance evaluation process is the continuing professional and leadership development of each Chancellor. In order to achieve this goal, the Board Chairperson, ~~Human Resources~~ Committee Chair and mentor (as appropriate) will create a confidential professional development plan with the Chancellor.

H. Chancellor Evaluation Review

Based on a timeline provided by the Board Chairperson, the Executive Committee will meet with the Chancellor to plan for the upcoming performance year and review the results of the current year's performance evaluation.

I. Effective Date

This Policy is effective immediately.

Board of Governors Meeting
July 20, 2023

SUBJECT: Ratify side letter with APSCUF

UNIVERSITIES AFFECTED: Commonwealth University of Pennsylvania and Pennsylvania Western University.

BACKGROUND: The State System and the Association of Pennsylvania State College and University Faculties (APSCUF) have negotiated a side letter that requires implementation prior to the completion of a successor collective bargaining agreement. The prior interim side letter for Department Chairpersons at the Consolidated Universities contained a provision for the delegation of Department Chairperson duties to Campus Department Leads. This provision expired on June 29, 2023 and the referenced Article 6 - Interim Side Letter provides the delegation of duties to Assistant Chairpersons.

MOTION: That the Board of Governors ratifies the attached side letter and authorizes the Chancellor to execute the appropriate document.

Supporting Documents Included: (1) Article 6 – Department Chairperson Interim Side Letter

Other Supporting Documents Available: N/A

Prepared by: Jeffrey B. Hawkins

Contact: jhawkins@passhe.edu

TENTATIVE AGREEMENT

INTERIM SIDE LETTER Article 6 – Department Chairpersons

The State System and APSCUF enter into this side letter to supplement the Interim Side Letter signed by the parties in October 2021, to adapt the provisions of Article 6 of their collective bargaining agreement to the consolidated universities, Commonwealth University and Pennsylvania Western University (“PennWest”). Specifically, the purpose of this side letter is to respond to the expiration of the “Campus Lead” positions at Commonwealth and PennWest Universities, effective June 29, 2023, and to provide department chairs at these two consolidated universities with discretion to delegate certain duties to assistant department chairs. This side letter is intended to apply only to the two consolidated universities, and shall not create a precedent for any other types of decisions related to these consolidations, nor to any future consolidation, merger, or reorganization of any sort involving other Universities within the State System. This side letter shall expire upon ratification of a successor collective bargaining agreement.

1. Assistant Department Chairs at Consolidated Universities

In addition to the duties that may otherwise be delegated to assistant department chairs, effective June 30, 2023, any department chair at Commonwealth University or PennWest in a department which has one or more assistant department chairs may delegate the below enumerated duties and responsibilities to the assistant department chair(s):

- a. Conduct classroom observations, as required by the collective bargaining agreement, which includes providing the feedback to the faculty member regarding the observation.
- b. Participate in the search process, in place of the department chairperson separate from the department search committee responsibilities.
- c. Participate in the formative evaluation of first year tenure-track faculty, as noted in the CBA, in place of the department chairperson.

AGREED:

APSCUF

STATE SYSTEM

KENNETH M. MASH

DANIEL I. GREENSTEIN