Pennsylvania State System
of Higher Education

Board of Governors' Quarterly Meeting Agenda

July 15-16, 2009

Administration Building
Dixon University Center
2986 North Second Street
Harrisburg, PA 17110-1201
Telephone: (717) 720-4420

Pennsylvania State System of Higher Education

Board of Governors' Quarterly Meeting Agenda

Wednesday, July 15, 2009

1:30 p.m. **Meeting of the Board of Governors**

Committee Meetings

- Academic and Student Affairs
- Advancement
- Audit
- Finance, Administration, and Facilities
- Human Resources
- Information Technology
- Executive

Thursday, July 16, 2009

9:00 a.m. **Meeting of the Board of Governors**

Adjournment

Board of Governors' Meeting
July 15, 2009

SUBJECT: Standing Committee Assignments (ACTION)

UNIVERSITIES AFFECTED: All

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

MOTION: That the Board of Governors approve the Standing Committee Assignments as shown in the *Standing Committee Assignments* document distributed at the Quarterly Board meeting, effective July 15, 2009.

Supporting Documents Included: N/A

Other Supporting Documents Available: *Standing Committee Assignments*

Reviewed by: N/A

Prepared by: Peter H. Garland   **Telephone:** (717) 720-4010

Pennsylvania State System of Higher Education

Board of Governors' Quarterly Meeting Agenda

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

Wednesday, July 15, 2009
1:30 p.m.

Agenda Summary

- **Academic and Student Affairs**
  - Approval of a New Master of Science in Nursing Degree with a Major in Nursing Administration and Leadership (Online) at California University of Pennsylvania (ACTION)
  - Approval of a New Bachelor of Science in Nursing (BSN) Degree with a Major in Nursing (Online) at Lock Haven University of Pennsylvania (ACTION)
  - Approval of a New Bachelor of Arts Degree with a Major in Liberal Studies at Cheyney University of Pennsylvania (ACTION)
  - Approval of a New Master of Science Degree with a Major in Information Security (Online) at East Stroudsburg University of Pennsylvania (ACTION)
  - Summary of Academic Program Actions for the 2008-09 Academic Year (INFORMATION)

- **Advancement**
  - Governmental Relations Update (INFORMATION)
  - Budget Update (INFORMATION)

- **Audit**
  - Revisions to Board of Governors' Policy 1991-06-A, *State System Audit Policy* (ACTION)
  - Office of Internal Audit and Risk Assessment 2009-10 Annual Work Plan (ACTION)

- Office of Internal Audit and Risk Assessment 2009-10 Annual Budget and Staffing Level (ACTION)
- Appoint Departmental Leadership to the Office of Internal Audit and Risk Assessment (ACTION)
- 2008-09 Annual Report – Internal Review Group (INFORMATION)

- **Finance, Administration, and Facilities**
  - Fiscal Year 2009/10 Operating Budget Update (INFORMATION)
  - Fiscal Year 2009/10 Program Initiatives Line Item Allocation (ACTION)
  - Fiscal Year 2009/10 Educational and General Appropriation Allocation (ACTION)
  - Fiscal Year 2009/10 Tuition and Technology Tuition Fee Rates (ACTION)
  - Fiscal Year 2009/10 Capital Spending Plan and Capital Budget Authorization Request (ACTION)
  - Property Acquisition, California University of Pennsylvania (ACTION)
  - Demolition of Ghering Health and Wellness Center, Edinboro University of Pennsylvania (INFORMATION)
  - Demolition of Sanderson and Schmidt Halls, West Chester University of Pennsylvania (INFORMATION)

- **Human Resources**
  - Social Equity-Human Resources Symposium (October 28-30, 2009) (INFORMATION)
  - Review of Board of Governors' Policy 2002-03, *Evaluating Presidents* (INFORMATION)

- **Information Technology**
  - SyTEC Governance Changes (INFORMATION)
  - General Information Technology Update (INFORMATION)

- **Executive**
  - Approval of Meeting Dates (ACTION)

- **Board**
  - Election of Board Officers (ACTION)
  - Resolutions (ACTION)
    - Daniel P. Elby
    - Kim E. Lyttle

Pennsylvania State System of Higher Education

Academic and Student Affairs Committee Meeting

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

Wednesday, July 15, 2009

Agenda

Committee Members: Aaron A. Walton (*Chair*), Representative Matthew E. Baker, Donna Cooper (designee for Secretary Gerald L. Zahorchak), Seceretary Gerald L. Zahorchak and Kenneth M. Jarin (*ex officio*).

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

Academic and Student Affairs Committee Meeting
July 15, 2009

SUBJECT: Approval of a New Master of Science in Nursing Degree with a Major in Nursing Administration and Leadership (Online) at California University of Pennsylvania (ACTION)

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UNIVERSITIES AFFECTED: California University of Pennsylvania

BACKGROUND: The Master of Science in Nursing degree with a major in Nursing Administration and Leadership (MSN) program will provide a high quality educational experience via distance learning methods and will prepare graduates as future leaders in the healthcare industry. California University of Pennsylvania's MSN program will help prepare graduates in critical thinking, professional role mastery, advanced understanding of nursing and healthcare research, understanding of the legal elements specific to the specialty, and advanced communication skills. Graduates will incorporate theory and research in nursing administration and leadership; assume leadership roles in nursing and promote the health and well being of persons in an intercultural world; integrate knowledge of healthcare economics, policy, and legal aspects into the delivery of cost-effective, ethically responsible nursing care; and manage information using technology to assist with decision-making and influence nursing practice.

MOTION: That the Board of Governors approve the Master of Science in Nursing Degree with a Major in Nursing Administration and Leadership (online) at California University of Pennsylvania.

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

Other Supporting Documents Available: Degree Proposal

Reviewed by: California University of Pennsylvania Council of Trustees—June 4, 2008

Prepared by: James D. Moran   **Telephone:** (717) 720-4200

Executive Summary of Degree Proposal

Master of Science in Nursing Degree with a Major in Nursing Administration and Leadership (Online)
California University of Pennsylvania
(July 15, 2009)

1. **Appropriateness to Mission**

    The Master of Science in Nursing (MSN) degree with a major in Nursing Administration and Leadership is designed to provide the education and skills required for administration and leadership expertise in nursing roles in the healthcare industry. The proposed program is in alignment with the mission of the University and the Pennsylvania State System of Higher Education (PASSHE). The PASSHE Strategic Plan Directions for 2004-2009, "Leading the Way," identifies critical trends shaping the future of learning in Pennsylvania, and the MSN program at California University of Pennsylvania (Cal U) will address several of these trends. The MSN program will contribute to "...the growth in the enrollment of out-of-state students, adult learners, graduates students, and students reached through...an on-line program" (p.3). The MSN program aligns with various aspects of the five core areas of the Strategic Plan, but most closely with several of the sub-strategies under Strategy #1: *Student Achievement and Success* and #3: *Commonwealth Service.*

    The proposed MSN program will be completely online and be part of California University of Pennsylvania's Global Online program. The faculty will utilize advanced methodology and innovation associated with teaching and learning to provide educational opportunities to nurse administrators and leaders who might otherwise not be able to adhere to a traditional course schedule.

2. **Need**

    There is a high demand for qualified nursing leaders within the healthcare industry. Master's preparation in nursing is necessary to develop nursing leaders who can function among their peers in a global community. Traditional on-campus MSN programs are not a viable option for many nursing administration and leadership professionals. With an online program, students have the opportunity to earn a degree without sacrificing professional commitments. A MSN degree is necessary to prepare advanced nurses in all of the dimensions desired to fulfill their role; no other advanced degree can meet this requirement. The MSN program at Cal U will prepare advanced practitioners who will address prevailing health and nursing issues, have a comprehensive understanding of and beginning competence in nursing research, and have a foundation for doctoral study in nursing.

3.   Academic Integrity

The MSN program will maintain the highest level of academic integrity and will be guided by standards developed by the American Association of Colleges of Nursing (AACN, 2008). The AACN is the national voice for America's baccalaureate- and higher-degree nursing education programs. California University of Pennsylvania's Bachelor of Science in Nursing (BSN) program received a full 10-year accreditation from the AACN-Commission on Collegiate Nursing Education (CCNE) in 2003. The AACN's programs, including education, research, governmental advocacy, data collection, publications, and others have established quality standards for undergraduate and graduate nursing education.

The MSN program's curriculum was developed using the AACN's document, "The Essentials of Master's Education for Advanced Practice Nursing" (AACN, 1996) AND CRITERIA FROM THE Nursing Administration Certification Exam developed by the ANCC Credentialing Center, and the American Association of Nurse Executives (AONE/AACN) "Essentials of Nurse Manager Orientation" (American Nurses Credentialing Center, 2006).

4.   Coordination with Other Programs

Currently there are no other online MSN programs in nursing administration and/or leadership within PASSHE. As part of the Global Online network, the MSN program will seek other courses that will fulfill the cognate course requirements or students' specific areas of interest.

5.   Assessment and Accreditation

Student learning outcomes will be assessed using a Three-Year Systematic Evaluation Plan that is developed to assess students' progress through the program. Outcome assessments will ensure continuous quality improvement. Annual review of student learning outcomes will be based on a plan to measure all learning goals and include insight from the MSN program coordinator, program faculty, department chairperson, distance learning and technology experts, and students, graduates, and employers of alumni. Evidence of outcome assessment will be submitted to the University-Wide Assessment Committee on a yearly basis.

The Three-Year Systematic Evaluation Plan and Calendar will guide the program's outcomes in preparation for certification. The MSN program was developed in accordance with the AACN-CCNE standards in anticipation of applying for program approval immediately after graduating one cohort. The CCNE is an autonomous accrediting agency of the AACN that ensures the quality and integrity of baccalaureate and graduate education programs preparing effective nurses.

6.   Resource Sufficiency

The proposal details a budget outlining the financial support necessary for implementation and operation of the proposed program. Funds requested will ensure sufficient staff and support resources, learning resources, instructional equipment, and facilities.

7.   Impact on Educational Opportunity

The educational opportunity created by the MSN program is significant on a local, state, national, and global level. Professionals who might not otherwise be able to pursue a graduate degree in the traditional on-campus setting will be afforded the opportunity to pursue a high level, affordable, accelerated, graduate degree from an outstanding institution of higher learning.

There is a lack of qualified nurses to fill nursing managerial roles in the nation's 7,569 hospitals (ANCC, 2008), over 16,000 nursing homes (American Health Care Association survey, 2002), and other health care facilities. The U.S. department of Labor reported that medical and health services managers held about 262,000 jobs in 2006 (Bureau of Labor Statistics, 2008a). About 30% of these worked in private hospitals, and another 16% worked in offices of physicians or in nursing care facilities. The remainder worked in home health care services, Federal Government health care facilities, ambulatory facilities, outpatient care centers, insurance carriers, and community care facilities for the elderly.

Currently, the American Hospital Association reports the average vacancy rate for nurse managers is 6.5%, with higher vacancy rates in urban hospitals and in western and southern regions of the U.S. Over the next 10 years, it is predicted that these numbers will increase, and there will be a major shortage of qualified nurse managers. Nurse administrators' average age is 48, and as they retire or move on to other roles, qualified nurses need to be ready to fill these administrative vacancies (American Hospital Association, 2000; Nursing Management's Salary Survey, 2005).

Prepared by: Ms. Geraldine Jones, Provost and Vice President for Academic Affairs

Implementation Date: Spring 2010

FIVE YEAR BUDGET PROJECTION*

UNIVERSITY: California University of Pennsylvania
PROPOSED PROGRAM: Master of Science in Nursing Degree with a Major in Nursing Administration and Leadership (Online)

ESTIMATED REVENUES	Year 1		Year 2		Year 3		Year 4		Year 5	
	Existing	New	Existing	New	Existing	New	Existing	New	Existing	New
Projected University E&G *or* Tuition		$158,055	$248,486	$165,657	$260,913	$173,942	$273,924	$182,616	$287,784	$191,856
External Grants and Contracts		0	0	0	0	0	0	0	0	0
Other=Fees+		$6,426	$9,828	$6,552	$10,025	$6,678	$10,217	$6,804	$10,410	$6,930
TOTAL REVENUE++	$164,481		$430,523		$451,558		$473,561		$496,980	
ESTIMATED EXPENSES	Year 1		Year 2		Year 3		Year 4		Year 5	
Salaries and/or benefits (Faculty and Staff)		$126,869	$148,524	$37,792	$143,234	$38,548	$153,997	$34,337	$156,813	$40,106
Learning resources		$10,000		$5,000		$5,000		$5,000		$5,000
Instructional Equipment		$34,310		$10,200		$10,200		$12,200		$12,200
Facilities and/or modifications		$10,000		0		0		0		0
Other		$105,000		$113,100		$111,970		$128,675		$139,320
TOTAL EXPENSES	$286,179		$314,616		$308,952		$334,209		$353,439	
DIFFERENCE (Rev.-Exp.)	$-121,698		$115,907		$142,606		$139,352		$143,541	
ESTIMATED IMPACT OF NEW PROGRAM	Year 1		Year 2		Year 3		Year 4		Year 5	
FTE Enrollment	35**		70**		70**		70**		70**	
Projected Annual Credits Generated	420		1050		1050		1050		1050	
Tuition Generated+++	$158,055		$414,143		$434,855		$456,540		$479,640	

*Information for MSN program only, not existing BSN program. **35 part time students/cohort/year. 6 credits/term; 1st yr. SP, SU 2010; 2nd yr. FA, SP, SU. Second cohort to enter SP 2011. +Fees=2% est. infl/yr (2008-09 base=$15/credit). ++Tuition=5% est. infl/yr (2008-09 base=$357 PA resident; $364 non-PA resident). 80% PA resident; 20% non-PA resident. Total Revenue includes fees. +++Tuition generated does not include fees.

Academic and Student Affairs Committee Meeting
July 15, 2009

SUBJECT: Approval of a New Bachelor of Science in Nursing (BSN) Degree with a Major in Nursing (Online) at Lock Haven University of Pennsylvania (ACTION)

UNIVERSITIES AFFECTED: Lock Haven University of Pennsylvania

BACKGROUND: Lock Haven University proposes the development of an online Bachelor of Science in Nursing (BSN) degree with a major in Nursing. This program will be an RN-to-BSN completion program, with curriculum designed for entry of the registered nurse with a diploma or Associate of Science Degree in Nursing. The program is based on the tenets of the Pennsylvania Articulation Model (The Pennsylvania Coalition for Nursing Education, September, 1993). The addition of a BSN program will serve to strengthen the University's position to serve the Commonwealth by creating new opportunities for students, establish academic programs in fields most in demand from Pennsylvania employers, and form partnerships with communities surrounding PASSHE campuses to improve the economy and quality of life for all Pennsylvanians.

Adding an RN-to-BSN program will improve the region's ability to service both the prospective student population and the health care industry. Health care service providers will also gain significantly from the additional professional nurse graduates who will enter the workforce. And, ultimately, it is the recipients of health care who will benefit. Recently published research suggests that patient outcomes are improved with an increase in the presence of baccalaureate-prepared nurses.

MOTION: That the Board of Governors approve the Bachelor of Science in Nursing (BSN) Degree with a Major in Nursing (online) at Lock Haven University of Pennsylvania.

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

Other Supporting Documents Available: Degree Proposal

Reviewed by: Lock Haven University of Pennsylvania Council of Trustees—June 12, 2009

Prepared by: James D. Moran   **Telephone:** (717) 720-4200

Executive Summary of Degree Proposal

Bachelor of Science in Nursing (BSN) Degree with a Major in Nursing (Online)
Lock Haven University of Pennsylvania
(July 15, 2009)

1. **Appropriateness to Mission**

   Lock Haven University proposes the development of an online Bachelor of Science in Nursing (BSN) degree with a major in Nursing. This program will be an RN-to-BSN completion program, with curriculum designed for entry of the registered nurse with a diploma or Associate of Science Degree in Nursing. The program is based on the tenets of the Pennsylvania Articulation Model (The Pennsylvania Coalition for Nursing Education, September, 1993). The addition of a BSN program will serve to strengthen the University's position within the Commonwealth by addressing the call from the Chancellor (Fall, 2003) to create new opportunities for students, establish academic programs in fields most in demand from Pennsylvania employers, and form partnerships with communities surrounding PASSHE campuses to improve the economy and quality of life for all Pennsylvanians.

   The goals of the BSN program are consistent with the mission and strategic plan of Lock Haven University. The baccalaureate-prepared nurse is liberally educated; is expected to master discipline-specific knowledge and to incorporate and apply knowledge gained from other disciplines into nursing practice; and is prepared to embark on a career path to include life-long learning, a commitment to the profession and recognition of personal and civic responsibilities in a multi-cultural and global community.

2. **Need**

   News of the nursing shortage abounds. The introduction of a BSN program represents an overt response to addressing needs of the region, state, nation, and international community. Additionally, the National Advisory Council on Nurse Education and Practice (2001) has urged that at least two-thirds of the nurse workforce hold BSN or higher degrees. Published research (Aiken, et al., 2003) suggests that patient outcomes are improved with an increase in the presence of baccalaureate-prepared nurses because they are valued for their skills in critical thinking, leadership, case management and health promotion, and for their ability to practice in a variety of settings. Notably today, only 43% meet the criteria. Given the calls for a better educated nursing workforce, more registered nurses are pursuing baccalaureate level education. From 2006 to 2007, enrollment in RN-to-BSN programs increased by 11.5%. This trend is encouraging since the National Sample Survey of Registered Nurses (U.S. Dept. of Health and Human Services) found that only 17.4% of nurses educated in associate degree programs go on to complete a four-year nursing degree program.

Nursing programs of this nature attract a wide range of students as it is online and allows flexibility for the working nurse. The BSN program will contribute significantly to the local and regional workforce by enhancing the quality of healthcare services and improving the overall health of individuals and communities they serve. As this program will be online, the value of the potential national impact of the program could be substantial, as it will allow the working nurse to continue to pursue education while remaining in the workforce.

3.   Academic Integrity

The primary goal of the BSN program is to prepare a practitioner who is able to function in a variety of settings: providing care of the sick in and across environments; participating in, planning, implementing and evaluating activities and programs to promote health; and facilitating population-based health care. The curriculum is academically sound and is in concert with the university's general education, progression, and graduation requirements. The curriculum plan incorporates the Essentials of Baccalaureate Nursing Education *(*AACN, 2008) and is designed to meet accrediting body standards. This program will be an RN to BSN completion program, with curriculum developed to allow for entry into the program after completion of an associate's degree or diploma in nursing. It is designed to provide a solid foundation in the liberal arts and natural and social sciences. RN-to-BSN students must have proof of graduation from a basic program of nursing and proof of current registered nurse licensure. General science requirements will be completed before beginning 400 level nursing courses. The general education component of the program can be completed through traditional coursework, web-based courses, or CLEP. The twenty-six (26) credits of nursing courses will be offered online. Progression in the program will require completion of all prerequisites and requirements. Students will be advised by nursing faculty throughout the program.

Learning experiences and clinical placements will vary within and among courses. Although the nursing courses in the program will be offered as web-based courses, a variety of teaching modalities may be used such as individual and group projects, journaling, workshops and attendance at professional conferences in addition to computer-based course work. Students will learn and apply knowledge utilizing state-of-the-art technology whenever possible. Clinical placements provide the venue for application of learning and skill performance.

Minimum requirement for faculty include a master's degree in nursing, graduate preparation in the area of teaching and/or functional areas of responsibility and documented evidence of maintaining expertise in clinical and/or functional areas of responsibility. A faculty member with an earned doctorate in nursing will direct the program.

4.   Coordination with Other Programs

Faculty and students will have opportunities to interact with peers in nursing programs at other area colleges and universities. Graduates of area schools that train licensed practical nurses currently come to the University to earn their associate degree in nursing. With the development of an RN-to-BSN program they can enter the workforce upon graduation from the associate degree program, attend classes to complete their general education requirements, and progress into the on-line program. Natural and health science courses required for nursing majors will include students from other programs. Nursing faculty may collaborate with colleagues from other disciplines to explore new learning opportunities for students.

5.   Assessment and Accreditation

The Department of Nursing will participate in the institutional review process within the University that applies to all departments. The State Board of Nursing does not regulate RN-to-BSN programs. The program will seek accreditation by the National League for Nursing Accreditation Commission (NLNAC). The initial report and site visit occur prior to graduation of the first class and subsequent visits are required on 5- to 10-year cycles. Programs are expected to maintain ongoing self-evaluation and to keep records related to program outcomes and other elements identified on a comprehensive Systematic Plan of Evaluation. Accreditation will be pursued to ensure that students in the charter class will graduate from an accredited program. The framework for the Self-Study Report required by NLNAC for accreditation is already in place. Distance education programs in nursing are held to the same stringent requirements of programs utilizing traditional educational methods. While developing and seeking accreditation of the RN-to-BSN program the University will defer to the Alliance for Nursing Accreditation Statement on Distance Education Policies.

6.   Resource Sufficiency

Currently all courses required for the entry into the program and the general education component of the program are available at both campuses of the University. Many of the courses are offered online. The eight nursing courses have been developed and have been approved by the College Curriculum Committee and are awaiting final review by the University Curriculum Committee. A Ph.D. prepared faculty member will be hired to assist with teaching web-based courses and participate in seeking accreditation of the program. Four of the current Nursing faculty have been involved in the development of the courses and will continue to be involved in further course development and instruction. Four nursing faculty members are e-Certified and ready to teach online courses.

7.   **Impact on Educational Opportunity**

Three of seven counties have no nursing programs. As indicated earlier, those that do have programs have all experienced tremendous growth in their applicant pools and many have waiting lists for admission. Adding an RN to BSN program will improve the region's ability to service both the prospective student population and the healthcare industry.

Prepared by: Dr. Roger Johnson, Interim Provost and Vice President for Academic Affairs

Implementation Date: Fall 2009

FIVE YEAR BUDGET PROJECTION

UNIVERSITY: Lock Haven University of Pennsylvania
PROPOSED PROGRAM: Bachelor of Science in Nursing (BSN) Degree with a Major in Nursing (Online)

ESTIMATED REVENUES	Year 1		Year 2		Year 3		Year 4		Year 5	
	Existing	New	Existing	New	Existing	New	Existing	New	Existing	New
Projected University E&G or Tuition		$157,605	$119,421	$132,690	$122,976	$150,304	$126,576	$154,704	$130,509	$159,511
External Grants and Contracts										
Other										
TOTAL REVENUE	$157,605		$252,111		$273,280		$281,280		$290,020	

ESTIMATED EXPENSES	Year 1		Year 2		Year 3		Year 4		Year 5	
Salaries and/or benefits (Faculty and Staff)		$146,385		$206,833		$216,075		$225,421		$234,881
Learning resources		$4,000								
Instructional Equipment		$6,000		$2,000		$2,000		$2,000		$2,000
Facilities and/or modifications										
Other		$10,000		$5,750		$5,750		$5,750		$5,750
TOTAL EXPENSES	$166,385		$214,583		$223,825		$233,171		$242,631	
DIFFERENCE (Rev.-Exp.)	$-8,780		$37,528		$49,455		$48,109		$47,389	

ESTIMATED IMPACT OF NEW PROGRAM	Year 1	Year 2	Year 3	Year 4	Year 5
FTE Enrollment	23 (10 Full-time; 20 Part-time)	44 (19 Full-time; 38 Part-time)	47 (20 Full-time; 40 Part-time)	47 (20 Full-time; 40 Part-time)	47 20 Full-time; 40 Part-time)
Projected Annual Credits Generated	26 Credits (FT) 16 Credits (PT)	25-26 Credits (FT) 16 Credits (PT)	25-26 Credits (FT) 16 Credits (PT)	25-26 Credits (FT) 16 Credits (PT)	25-26 Credits (FT) 16 Credits (PT)
Tuition Generated	$157,605	$252,111	$273,280	$281,280	$290,020

Academic and Student Affairs Committee Meeting
July 15, 2009

SUBJECT: Approval of a New Bachelor of Arts Degree with a Major in Liberal Studies at Cheyney University of Pennsylvania (ACTION)

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UNIVERSITIES AFFECTED: Cheyney University of Pennsylvania

BACKGROUND: Cheyney University of Pennsylvania proposes to offer a Bachelor of Arts degree with a major in Liberal Studies. Cheyney University is well positioned to develop an undergraduate program that will increase the number of minorities prepared for the workforce in Pennsylvania and for graduate study.

This program will offer a challenging curriculum consistent with Cheyney University's historic commitment to educating students whose academic development may have been limited by lack of economic, social, or educational opportunity. A Bachelor of Arts in Liberal Studies program meets the needs of a variety of students as it is individually designed to support student achievements and aspirations. Regular and nontraditional students alike will have access to a variety of courses and programs of interest to them and to prepare them to take advantage of opportunities in a challenging and changing job market.

Students in the Liberal Studies program will take 51 credit hours prescribed in the general education common core required for all students at the university as part of their required 120 credit hours for degree completion. Students will also complete 15 credit hours prescribed in the Liberal Studies core. For the remaining 54 credit hours, students will work with advisers in the Department of Humanities and Communication Arts as well as with one or more advisers in specific concentration(s) as necessary.

MOTION: That the Board of Governors approve the Bachelor of Arts Degree with a Major in Liberal Studies at Cheyney University of Pennsylvania.

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

Other Supporting Documents Available: Degree Proposal

Reviewed by: Cheyney University of Pennsylvania Council of Trustees—March 19, 2009

Prepared by: James D. Moran   **Telephone:** (717) 720-4200

Executive Summary of Degree Proposal

Bachelor of Arts Degree with a Major in Liberal Studies
Cheyney University of Pennsylvania
(July 15, 2009)

1. **Appropriateness to Mission**

   The Cheyney University Bachelor of Arts degree with a major in Liberal Studies program corresponds with the goals of Cheyney University, the Department of Humanities and Communication Arts, and the Pennsylvania State System of Higher Education.

   The proposed Liberal Studies program addresses several aspects of the Pennsylvania State System of Higher Education's overall mission, such as providing an excellent education at the lowest possible cost; offering undergraduate programs that address regional needs; and providing public services and leadership for the Commonwealth.

   The program is aligned with key elements of the University's Strategic Plan, "Pathways to Greatness, 2004 and Beyond." Specifically, the proposed program corresponds to several objectives under Strategic Goal 1: Strengthen Academic Quality and Excellence, and Strategic Goal 2: Advance Student Achievement and Success.

2. **Need**

   Graduates of the Liberal Studies/Arts programs will have a variety of skills, such as communication and critical thinking that can be applied to numerous employment opportunities. According to governmental and business data, liberal arts majors' employment and salaries have increased over time (Gehlhaus 4). A liberal arts education is more important than ever due to the increasing demand for broad learning about humanity, nature, and the universe (Wallin Message in American Academy for Liberal Education Standards and Criteria Program Accreditation ii).

   The Liberal Studies program is likely to attract nontraditional and transfer students as well as traditional students because of its uniqueness. Nontraditional and independent-minded students of the Internet generation look for opportunities to tailor programs to meet their personal needs and the demands they envision in an ever-changing job market. They relish the opportunity to craft their own programs with the one-on-one assistance of advisers in each area of their interest.

   In addition, this program is expected to help retain students who have changed majors, accumulated many semester hours of credit, but have not fulfilled the requirements for graduation in any programs currently available. Too often, such students are discouraged because they now face the prospect of losing their financial

aid. This program could allow them to graduate in a timelier manner, gain employment or pursue a specialty in graduate school.

3. **Academic Integrity**

The Liberal Studies program offers a unique opportunity to students who expect opportunities to participate in designing programs to meet their visions and needs and the needs of the workforce in the 21st century. Students today want flexibility. This program offers that opportunity, under the watchful eyes of advisers in more than one area, to combine concentrations and prepare for careers of the future.

The principal mission of the proposed Liberal Studies program is to educate students who can effectively operate in a variety of settings, including media, public and private early educational institutions, governmental and nongovernmental agencies, and corporate America. Graduates with a bachelor's degree will also have the critical skills necessary to successfully address the current and future workforce needs of the Commonwealth of Pennsylvania. By so doing, graduates in the Liberal Studies program will be positioned to enhance and uplift the entire Cheyney University community, their home communities, future generations, the Commonwealth of Pennsylvania and the nation.

In addition to their General Education requirements, students in the Liberal Studies program will take 15 credit hours prescribed in the Liberal Studies core. The Liberal Studies degree program will have core learning outcomes instead of core courses. For each outcome, students will, with the approval of advisers, have a choice of different courses in a variety of disciplines that will meet that outcome.

The remaining 54 semester hours for the degree program will include one or more specific concentrations. Students will work with advisers in choosing from major field electives in that/those concentration(s) to complete their required 120 credit hours. At least 48 credit hours of each student's program of study must be in 300 or 400-level courses. Students will be required to complete a senior seminar capstone course in one of their areas of concentration. Students will also be encouraged to minor in one or more degree program areas as part of their respective programs of study.

4. **Coordination with Other Programs**

The Liberal Studies major will draw on programs in electronic media, print journalism, and public relations. Faculty in each of these areas of the concentration will serve as advisers to students and will serve as academic advisers during the service learning/co-op/internship placement process. All advisers will meet with the coordinator at regular intervals to ensure the successful completion of students in the program and to recommend and implement improvements to the program.

Cheyney University is well situated to offer a degree program in Liberal Studies because of the accessibility of business and media experts (some of them, Cheyney

University graduates) and the proximity to Philadelphia, the nation's fourth largest television market, sixth largest radio market, and sixteenth largest newspaper by circulation, the *Philadelphia Inquirer*. Cheyney University's location adds to the program's teaching pool and co-op/internship opportunities.

In addition to media markets, Cheyney University has placed interns in public relations departments at the local hospital, the Philadelphia Zoo, theme parks, governmental offices in Harrisburg and Washington, D.C., and many others. All of these have been successful and are available for future students (Cheyney University Center for Career and Professional Development).

5.   Assessment and Accreditation

The program plans to seek accreditation through the American Academy for Liberal Education (AALE) when appropriate. The proposed program goals correspond with the AALE's educational standards and criteria. Assessment of the Liberal Studies program and student learning will occur on a regular and comprehensive basis and the results will be used to improve teaching and learning. Assessment plans are directly aligned with AALE accreditation requirements (Standards and Criteria Program Accreditation 1). Also, each semester, students will present online portfolios that have been continually updated as evidence of their progress. Students working in groups will include group and self-assessments in their portfolios.

6.   Resource Sufficiency

One strength of the Liberal Studies program is that the program makes excellent use of the university's resources. Cheyney University has the space and technology to support the program already in place. Cheyney University has computer labs, a new cable radio station, two television facilities and a student newspaper in place, so there will be ample opportunities for publicity and for students to gain hands-on experience on campus. Just as important, the courses are in place. But most important for the success of the program, Cheyney University has a strong, diverse, and seasoned faculty in place. Because the university is small, faculty have the tradition of cooperating across departmental and school lines.

7.   Impact on Educational Opportunity

Cheyney University produces qualified graduates who make significant contributions to their communities, the Commonwealth, the nation, and the world. Building upon this historic charge, Cheyney University is well positioned to develop an undergraduate program that will increase the number of minorities prepared for the workforce in Pennsylvania and for graduate study. This program will offer a challenging curriculum to uphold Cheyney University's tradition of academic excellence as it continues to be faithful to its historic commitment to educating students whose academic development may have been limited by lack of economic, social, or educational opportunity. A Liberal Studies program will meet their needs as well as the needs of other, more advantaged students. A Bachelor of Arts in Liberal

Studies program meets their needs by being individually crafted to support their achievements and aspirations. Regular and nontraditional students alike will have access to a variety of courses and programs that interest them to prepare them to take advantage of opportunities in a challenging and changing job market. Thus, Cheyney University students and faculty will work together to continue to design and offer instruction that is responsive to the needs of a vibrant urban and suburban community.

Prepared by: Dr. Ivan Banks, Provost and Vice President for Academic Affairs

Implementation Date: Fall 2009

FIVE YEAR BUDGET PROJECTION

UNIVERSITY: Cheyney University of Pennsylvania
PROPOSED PROGRAM: Bachelor of Arts Degree with a Major in Liberal Studies

ESTIMATED REVENUES	Year 1		Year 2		Year 3		Year 4		Year 5	
	Existing	New	Existing	New	Existing	New	Existing	New	Existing	New
Projected University E&G *or* Tuition		$155,519		$164,853		$269,376		$355,888		$372,780
External Grants and Contracts										
Other										
TOTAL REVENUE	$155,519		$164,853		$269,376		$355,888		$372,780	

ESTIMATED EXPENSES	Year 1		Year 2		Year 3		Year 4		Year 5	
Salaries and/or benefits (Faculty and Staff)	$75,759		$124,432		$239,742		$245,735		$251,877	
Learning resources										
Instructional Equipment										
Facilities and/or modifications										
Other										
TOTAL EXPENSES										
DIFFERENCE (Rev.-Exp.)	$79,760		$40,421		$29,634		$110,153		$120,903	

ESTIMATED IMPACT OF NEW PROGRAM	Year 1	Year 2	Year 3	Year 4	Year 5
FTE Enrollment	10(Freshmen) 5 (Transfer)	17 (Traditional) 12 (Transfer)	24 (Traditional) 22 (Transfer)	31 (Traditional) 28 (Transfer)	40 (Traditional) 20 (Transfer)
Projected Annual Credits Generated	450	870	1440	1770	1770
Tuition Generated					

Academic and Student Affairs Committee Meeting
July 15, 2009

SUBJECT: Approval of a New Master of Science Degree with a Major in Information Security (Online) at East Stroudsburg University of Pennsylvania (ACTION)

UNIVERSITIES AFFECTED: East Stroudsburg University of Pennsylvania

BACKGROUND: The East Stroudsburg University of Pennsylvania (ESU) Computer Science Department proposes the creation of a Master of Science degree with a major in Information Security. This unique program will allow students to complete a master's degree *fully online*. The program is intended for students with interest in system security administration and will allow students who have undergraduate experience in Computer Science, Computer Security, or Information Technology the opportunity to continue their education on the master's level. Also, by completion of the program, students will earn six national certifications.

The ESU Information Security graduate program is necessary to ESU, the Pennsylvania State System of Higher Education (PASSHE), the Commonwealth, and the nation. Current students are very interested in such a program, and foresee the program attracting existing corporate professionals, as well as government and military personnel, who want to further their education. The program also will allow ESU and PASSHE to continue its leadership in the field of information assurance. Finally, the program will challenge students, helping to expand their critical thinking abilities.

MOTION: That the Board of Governors approve the Master of Science Degree with a Major in Information Security (online) at East Stroudsburg University of Pennsylvania.

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

Other Supporting Documents Available: Degree Proposal

Reviewed by: East Stroudsburg University of Pennsylvania Council of Trustees—February 5, 2009

Prepared by: James D. Moran   **Telephone:** (717) 720-4200

Executive Summary of Degree Proposal

Master of Science Degree with a Major in Information Security (Online)
East Stroudsburg University of Pennsylvania
(July 15, 2009)

1. **Appropriateness to Mission**

    East Stroudsburg University of Pennsylvania (ESU) is a National Center of Academic Excellence in Information Assurance Education, one of less than 100 such institutions certified by the U.S. National Security Agency (NSA) and the U.S. Department of Homeland Security (DHS). This designation is based on the successful ESU Bachelor of Science degrees in Computer Science and Computer Security and the successful ESU Master of Science degree in Computer Science. The ESU Computer Science Department now proposes the creation of a Master of Science degree in Information Security. This unique program will allow students to complete a Master's degree *fully online*. The program is intended for students with interest in system security administration and will allow students who have undergraduate experience in Computer Science, Computer Security, or Information Technology the opportunity to continue their education on the Master's level. Also, by completion of the program, students will earn six national certifications.

2. **Need**

    There are various noteworthy motivating factors for the ESU Information Security graduate program. As indicated below, current student desire for a graduate program in information security is very high. Students see a program of this type as beneficial to their education, knowledge, and future employment possibilities and they are excited about further research opportunities with faculty in the stimulating world of computer and information security. Second, there is a high demand for master's students with knowledge in information security, as indicated by multiple employment trend reports. A third motivating factor behind the program is national security. As mentioned in the *National Strategy to Secure Cyberspace* (www.whitehouse.gov/pcipb), a major policy document on national security, "Key to any successful national effort to enhance cybersecurity must be a national effort to ... maintain an adequate pool of well trained and certified information technology security specialists... The nation must focus resources on training a talented and innovative pool of citizens that can specialize in securing the infrastructure." The ESU Information Security graduate program will help meet this need for national security.

    The ESU Information Security graduate program is necessary to ESU, PASSHE, the Commonwealth, and the nation. Current students are very interested in such a program, and we also foresee the program attracting existing corporate professionals, as well as government and military personnel, who want to further their education. The program also will allow ESU and PASSHE to continue its

leadership in the field of information assurance. Finally, the program will challenge students, helping to expand their critical thinking abilities. All program candidates will perform extensive research, allowing them to learn this critical skill. The ESU Information Security graduate program is a necessary addition to the ESU Computer Security program.

3.   **Academic Integrity**

The ESU Information Security graduate program is a rigorous technical program for students with undergraduate experience in Computer Science, Computer Security, or Information Technology, and interested in furthering their knowledge in system security administration. All students in this program are required to complete a thesis under the direction of a faculty member, which will be judged by a thesis committee of faculty members.

The ESU Information Security graduate program curriculum has been designed with multiple goals. One goal was that the design should be based on two models of curriculum. First, the successful ESU Master's in Computer Science was used as a model. In the Computer Science program, students are required to complete rigorous courses which give them theoretical as well as practical abilities. Students are also required to complete a major research project with a thesis and defense. All of these elements have been included in the Information Security graduate program.

The Information Security graduate program has been designed to be a rigorous program, and hence students must meet a high level of prerequisites to enter the program. All applicants must have completed a Bachelor's degree in a technical field related to computing, and they should have experiences in mathematics and science. In particular, applicants should have a Bachelor's degree in Computer Science, Computer Security, or Information Technology. Specific ESU courses may be required by the Information Security graduate program advisor for student remediation.

To help students be aware of and meet these high expectations, they will be advised and mentored in a three-tiered approach. Students will have a thesis or research advisor to help with the completion of their research requirements; students will have access to the Computer Science Department Chair for administrative issues; and, students will have access to the Computer Security Program Director for advice on course selection, research project selection, general mentoring, etc.

4.   **Coordination with Other Programs**

Since the Information Security graduate program is a graduate program housed in the Computer Science Department and unaffected by most undergraduate curriculum, other departments or campus units have not been involved in the program development. It is possible that the program will have some effect on the ESU Mathematics Department since students are required to have some mathematical knowledge upon entrance to the program. However, we foresee few students in need of mathematics remediation. Also, the Mathematics Department

currently remediates Computer Science graduate students who do not have the prerequisites, and has agreed to continue this service. The Mathematics Department service will provide any Computer Science, Computer Security, or Information Security students with the necessary mathematics remediation.

One of the strengths of the ESU Information Security graduate program is its relationship with outside organizations. One group of organizations is those in the federal sector, such as the U.S. Department of Defense (DOD), the U.S. Department of Justice (DOJ), the Department of Homeland Security (DHS), and the U.S. National Security Agency (NSA). These relationships include the National Center of Academic Excellence in Information Assurance Education Program, sponsored by NSA and DHS, the Information Assurance Scholarship Program, sponsored by the DOD, and the newly formed Cyber Crime and Computer Forensics Institute, sponsored by the DOJ. A second group of organizations is those within the Commonwealth, such as the PA Department of Community and Economic Development, and the PA Department of Labor and Industry. The ESU Information Security Graduate Program will help these relationships grow.

5.   Assessment and Accreditation

Multiple tools will be used to help assess the student learning outcomes. First and foremost, each course will have its own form of assessments, such as exams, class participation and discussion, interactive in-class work, analysis of case studies, practical projects, research papers, student presentations, and team exercises. Each of these will allow the instructor to assess student learning, and as each instructor will be in close relationship to the Computer Security Program Director, so as to maintain a focal point for assessment. Second, all exiting students will be surveyed to determine if their needs have been met from the students' point of view. Third, the Computer Science Department completes a "Program Review" every five years to help analyze its success and plan for the future. As part of this review, the assessment of courses and programs is included. Student learning outcomes in the Information Security graduate program will be included in this assessment. A fourth method of assessment will include the research projects and theses created by the students in the Information Security graduate program. Each thesis will be reviewed by at least three members of the Computer Science graduate faculty, and hence will allow the faculty the opportunity to assess the learning of students performing research. Finally, employers will be used for assessments on a regular basis. Since the ESU Computer Science Department has strong industrial ties, such assessment will occur on an ad-hoc basis. Furthermore, the department maintains a "Board of Visitors" which includes approximately ten computer science professionals from outside academics. This Board meets with the department biennially, and has a great hand in helping the department assess its programs. Student learning outcomes are always a large part of this assessment.

6.   **Resource Sufficiency**

The expenses related to the Information Security graduate program will be well balanced by the benefits of the program. Major costs include equipment funding, advertising costs, costs for certification and relationships with federal agencies such as the National Security Agency, the addition of one new faculty member to the Computer Science Department, release time for the Computer Security Program Director to manage multiple programs (undergraduate and graduate) and maintain the certifications, the addition of one new graduate assistant, and an increase in the Computer Science Department budget for materials, supplies, and research journals.

7.   **Impact on Educational Opportunity**

The largest effect on under-represented groups of students will be related to the inclusion of more atypical college students. That is, the goal of the program is to have many more existing professionals as participants than we would see in the typical university program. This is the purpose of designing a program which is fully online. In this way, we plan for professionals practicing in the field of information systems but now interested in advancing their knowledge to computer and information security. Furthermore, the addition of markets such as Philadelphia, New York, urban New Jersey, and Washington, DC, should allow for an increase of diversity in the student population.

Prepared by: Dr. Kenneth Borland, Jr., Provost and Vice President for Academic Affairs

Implementation Date: Fall 2010

FIVE YEAR BUDGET PROJECTION

UNIVERSITY: East Stroudsburg University of Pennsylvania
PROPOSED PROGRAM: Master of Science Degree with a Major in Information Security (Online)

ESTIMATED REVENUES	Year 1		Year 2		Year 3		Year 4		Year 5	
	Existing	New	Existing	New	Existing	New	Existing	New	Existing	New
Projected University E&G *or* Tuition		$109,000		$113,000		$177,000		$184,000		$255,000
External Grants and Contracts		$100,000		$100,000		$100,000		$100,000		$100,000
Other										
TOTAL REVENUE	$209,000		$213,000		$277,000		$284,000		$355,000	
ESTIMATED EXPENSES	Year 1		Year 2		Year 3		Year 4		Year 5	
Salaries and/or benefits (Faculty and Staff)		$90,000		$92,000		$95,000		$97,000		$99,000
Learning resources		$1,000		$1,000		$1,000		$1,000		$1,000
Instructional Equipment		$5,000		$5,000		$10,000		$10,000		$15,000
Facilities and/or modifications										
Other[1]		$50,000		$50,000		$52,000		$52,000		$54,000
TOTAL EXPENSES	$146,000		$148,000		$158,000		$160,000		$169,000	
DIFFERENCE (Rev.-Exp.)	$63,000		$65,000		$119,000		$124,000		$186,000	
ESTIMATED IMPACT OF NEW PROGRAM	Year 1		Year 2		Year 3		Year 4		Year 5	
FTE Enrollment	6.7		6.7		10		10		13.3	
Projected Annual Credits Generated	180		180		270		270		360	
Tuition Generated	$109,000		$113,000		$177,000		$184,000		$255,000	

Academic and Student Affairs Committee Meeting
July 15, 2009

SUBJECT: Summary of Academic Program Actions for the 2008-09 Academic Year (INFORMATION)

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UNIVERSITIES AFFECTED: All

BACKGROUND: During the 2008-09 academic year, with the approval of the Board of Governors, PASSHE Universities added three graduate and three undergraduate degree programs to their curricular offerings. During the same period, sixteen programs were placed in moratorium, eight programs were reorganized, and two programs were terminated.

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

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Supporting Documents Included: Academic Program Actions July 1, 2008–June 30, 2009

Other Supporting Documents Available: N/A

Reviewed by: Chief Academic Officers

Prepared by: James D. Moran   **Telephone:** (717) 720-4200

PENNSYLVANIA STATE SYSTEM OF HIGHER EDUCATION
ACADEMIC PROGRAM ACTIONS
July 1, 2008—June 30, 2009

NEW DEGREE PROGRAMS

University	Program Name	Degree	Approved
Bloomsburg	School-Based Speech-Language Pathology	MED	April 2009
California	Commercial Music Technology	BS	January 2009
Cheyney	Graphic Design	BS	April 2009
Mansfield	Organizational Leadership	MA	October 2008
Millersville	Allied Health Technologies	BS	October 2008
Slippery Rock	Criminology and Criminal Justice	MA	April 2009

PROGRAMS PLACED IN MORATORIUM

University	Program Name	Degree
Bloomsburg	Computer and Information Science	BS
California	School Nurse	CERT
Clarion	School Nurse	CERT
Clarion	Principalship Preparation	CERT
Edinboro	Nutrition	BS
Edinboro	Information Technology	CERT
Edinboro	Clinical Psychology	MA
Kutztown	Instructional Technology	MED
Kutztown	Library Science	BSED
Lock Haven	Secondary Education French	BSED
Lock Haven	Secondary Education German	BSED
Lock Haven	Secondary Education Spanish	BSED
Lock Haven	Economics	BS
Lock Haven	Natural Science	BA
Shippensburg	Information Systems Studies	MS
West Chester	Parish Nursing	CERT

TERMINATED PROGRAMS

University	Program Name	Degree
Bloomsburg	Political Economics	BA
West Chester	Communication Studies	BSED

REORGANIZED PROGRAMS

University	Program Name	Degree	Change
Clarion	Radiologic Sciences	BS	Name changed to Medical Imaging Sciences
Edinboro	Geography	BA	Merged with BA in Environmental Studies/Geography to form BA Geography with tracks in General Geography and Environmental Studies
Edinboro	Geology	BS	Merged with BS in Environmental Science/Geology to form BS Geology with tracks in Geology and Environmental Geology
Edinboro	Drama	BA	Name changed to Theatre Arts
Kutztown	Secondary Education: Citizenship Education and Social Studies	BSED	Replaced by re-activated, revised Social Studies Program
Kutztown	Secondary Education: Social Science	BSED	Replaced by re-activated, revised Social Sciences Program
Kutztown	Secondary Education: General Science	BSED	Replaced by re-activated, revised General Science Program
Kutztown	Secondary Education: Earth Space Science	BSED	Replaced by re-activated, revised Earth and Space Science Program

Pennsylvania State System of Higher Education

Advancement Committee Meeting

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

Wednesday, July 15, 2009

Agenda

Committee Members: Marie Conley Lammando, Senator Vincent J. Hughes, Ryan R. Jerico and Kenneth M. Jarin (*ex officio*).

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

Advancement Committee Meeting
July 15, 2009

SUBJECT: Governmental Relations Update (INFORMATION)

UNIVERSITIES AFFECTED: All

BACKGROUND: A report is attached on recent legislative activity.

Supporting Documents Included: PASSHE Tracking July 8, 2009

Other Supporting Documents Available: N/A

Reviewed by: N/A

Prepared by: Karen S. Ball   **Telephone:** (717) 720-4053

HB 20	McCall	Amends Title 66 (Public Utilities) further providing for definitions; and providing for rate phase-in plans.
	Bill History:	07-09-09 H Set on the House Voting Schedule

HB 240	Conklin	Act providing for sexual violence awareness education programs for new students matriculating to institutions of higher education or private licensed schools that receive public funding & for duties of the Dept. of Education.
	Companions:	HB 1129 Conklin (Refiled from 07R Session)
	Bill History:	05-11-09 S Received in the Senate and referred to Senate Education

HB 926	Seip	Amends the Workforce Development Act further providing for membership of the Pennsylvania Workforce Investment Board; and establishing the Pennsylvania Center for Health Careers.
	Companions:	SB 174 Tartaglione (Identical) 3-23-09 S Rereferred to Senate Appropriations
	Bill History:	05-11-09 S Received in the Senate and referred to Senate Labor and Industry

HB 1317	Santoni	Act providing for tuition relief and for a video lottery program; establishing penalties; and making appropriations.
	Bill History:	05-21-09 H Public hearing held in committee House Gaming Oversight

HB 1407	DeLuca	Amends The Fiscal Code, further providing for property held by financial institutions, by insurers, by utilities, by business associations, by fiduciaries, by courts & public officers & agencies & for misc. property held or owing to another.
	Bill History:	07-06-09 H Set on the House Voting Schedule

HB 1416	Evans, D	Act to provide from the General Fund for the expenses of the Executive, Legislative & Judicial Departments of the Commonwealth, the public debt & the public schools for the fiscal year July 1, 2009, to June 30, 2010.
	Bill History:	06-25-09 H Resolution to discharge committee

HB 1659	Houghton	Amends Public School Code further providing for duties of public institutions of higher education, for Transfer & Articulation Oversight Cmte & for participation by independent institutions of higher education or State-related institution.
	Bill History:	07-09-09 H Set on the House Voting Schedule

HR 34	Preston	Resolution establishing select committee to investigate & review

policies, procedures & practices in place by various PA agencies, authorities, boards, commissions, councils, departments & offices to regulate & protect info.

Companions: HR 70   Preston   (Refiled from 07R Session)

Bill History: 07-09-09 H Set on the House Calendar

HR 78   **Wheatley**   Resolution providing for the establishment of a select committee to investigate the degree to which minority, women, & disadvantaged-owned business enterprises have been utilized in contracts awarded by the Commonwealth.

Bill History: 06-29-09 H Public hearing held in committee House Select Committee

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SB 101   **Smucker**   Amends Title 65 (Public Officers) further providing for a penalty.

Bill History: 06-03-09 H Received in the House and referred to House State Government

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SB 105   **Browne**   Act providing for the establishment of a searchable budget database-driven Internet website detailing certain information concerning State expenditures.

Bill History: 06-03-09 H Received in the House and referred to House Finance

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SB 107   **Pileggi**   Act requiring the posting of certain governmental salary information on the Internet.

Bill History: 07-06-09 S Rereferred to Senate Appropriations

SB 117   **White, M**   Amends the Keystone Recreation, Park and Conservation Fund Act further providing for annual reports; and making editorial changes.

Companions: SB 1069   White, M   (Refiled from 07R Session)

Bill History: 04-29-09 H Received in the House and referred to House Environmental Resources and Energy

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SB 820   **Dinniman**   Amends the Public School Code, further providing for duties of public institutions of higher education, for the Transfer & Articulation Oversight Cmte, & participation by independent & State-related institutions of higher education.

Bill History: 07-02-09 S Rereferred to Senate Appropriations

SB 825   **Stack**   Amends Title 51 (Military Affairs), in military leave of absence, further providing for educational leave of absence.

Bill History: 07-09-09 S Set on the Senate Calendar

SB 850   **Corman**   Act to provide from the General Fund for the expenses of the Executive, Legislative & Judicial Departments, the public debt & the public schools for the fiscal year July 1, 2009 to June 30, 2010.

Bill History: 07-08-09 H Discussed in committee meeting …House Agriculture

and Rural Affairs

SB 881	Piccola	Act providing for the establishment of the Tuition Control Study Commission to study tuition controls on Commonwealth colleges and universities; and requiring the commission to issue a report of its findings to the General Assembly.
	Bill History:	07-09-09 S Set on the Senate Calendar
SB 929	Dinniman	Act providing for the sale of certain course materials at institutions of higher education, for responsibilities of faculty & for college textbook rental pilot programs; & establishing the College Textbook Policies Advisory Committee.
	Bill History:	07-09-09 S Set on the Senate Calendar
SB 951	McIlhinney	Amends the Pennsylvania Prevailing Wage Act, further providing for remedies and penalties.
	Bill History:	07-09-09 S Set on the Senate Calendar

Advancement Committee Meeting
July 15, 2009

SUBJECT: Budget Update (INFORMATION)

UNIVERSITIES AFFECTED: All

BACKGROUND: An update on the Budget and efforts to secure PASSHE's appropriations request will be provided.

Supporting Documents Included: N/A

Other Supporting Documents Available: N/A

Reviewed by: N/A

Prepared by: Karen S. Ball   **Telephone:** (717) 720-4053

Pennsylvania State System of Higher Education

Audit Committee Meeting

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

Wednesday, July 15, 2009

Agenda

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Committee Members: Guido M. Pichini (*Chair*), Paul S. Dlugolecki, C.R. "Chuck" Pennoni, Christine Toretti and Kenneth M. Jarin (*ex officio*).

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

Audit Committee Meeting
July 15, 2009

SUBJECT: Revisions to Board of Governors' Policy 1991-06-A, *State System Audit Policy* (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND:
The need was acknowledged to develop a formalized process for assessing and managing risk within our organization. This will be accomplished by realigning PASSHE's internal audit function to provide a cohesive organizational structure responsible for facilitating risk assessment activities and, in turn, structuring a prioritized internal audit plan based on recognized levels of risk exposure and possible resulting liabilities.

Outcomes will provide an enhanced understanding of risk factors and internal control weaknesses along with their potential impact on operations. Through audit analysis, recommendations will be structured to mitigate risk exposure with reporting to the Audit Committee of the Board of Governors, Chancellor, University Presidents and local University Council of Trustees.

To reflect enhancements to the organizational structure, revisions are necessary to update Board of Governors Policy 1991-06-A, *State System Audit Policy*, pertaining to administrative reporting, funding, reporting outcomes and departmental naming of PASSHE's internal audit operation.

MOTION: That the Board of Governors approve the changes to Board of Governors Policy 1991-06-A, *State System Audit Policy*.

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

Other Supporting Documents Available: N/A

Reviewed by: Audit Committee

Prepared by: Dean A. Weber   **Telephone:** (717) 720-4243

PA State System of Higher Education
Board of Governors

POLICY 1991-06-A: STATE SYSTEM AUDIT POLICY

See Also:

Adopted: October 17, 1991
Amended: July 12, 2001
Amended: October 12, 2006
Amended: July 16, 2009

I.   Audit Committee

A.   Purpose

The primary mission of the Audit 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 Committee shall be to support and oversee the activities of the office of internal audit and risk assessment internal review group, maximizing the function's operations and value across the State System.

B.   Organization

The Audit Committee shall be a permanent committee consisting of six 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 and director of the office of internal audit and risk assessment review group shall serve as staff to the Audit Committee.

C.   Policy

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

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

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

3.   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.

4.   Providing a direct channel of communications to the Board of Governors for the System's independent public accounting firm and office of internal audit and risk assessment ~~review group~~.

D.   Procedures

Specific duties of the Audit Committee shall include the following:

1.   Approve the appointment of the director of the office of internal audit and risk assessment ~~review group~~, and the department's annual budget and staffing.

2.   Review and approve the scope of the office of internal audit and risk assessment's ~~review group's~~ annual work plan.

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

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

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

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

   c.   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 ~~review group~~, without other System management personnel present; and

   d.   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.

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

II.   **Office of** Internal **Audit and Risk Assessment** ~~Review Group~~

A.   **Purpose**

To provide policy for establishment and support of a System internal **audit and risk assessment** ~~review~~ function. In carrying out their duties and responsibilities, members of the **office of** internal **audit and risk assessment** ~~review group~~ 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.

B.   **Objectives**

1.   Establish an ongoing, independent capability to review all System operations **and assess risks**, 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.   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** ~~review group~~ 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.

3.   Act as liaison to the Department of the Auditor General and Office of Inspector General on System matters related to inquiries, referrals, and investigations.

C. 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~~ review group. The director of the ~~office of~~ internal ~~audit and risk assessment~~ review group shall report functionally to the Audit Committee of the Board of Governors and administratively to the System's Chancellor ~~chief counsel~~.

2. The ~~office of~~ internal ~~audit and risk assessment~~ review group shall serve as in-house management consultants to the System. University presidents and the chancellor may request assistance from the ~~department~~ internal review group 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.

3. A committee comprised of the System's chief counsel, director of internal ~~audit and risk assessment~~ review, and appropriate vice chancellor shall review and approve requests for assistance to conduct special reviews and investigations.

4. The ~~office of~~ internal ~~audit and risk assessment~~ review group shall follow the System's administrative directive 1991-06.01, *Procedures for Conducting Investigations*, when assisting the Audit Committee, universities, and the Office of the Chancellor in conducting investigations.

5. The ~~office of~~ internal ~~audit and risk assessment's~~ review group'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.~~ allocated to the universities and the Office of the Chancellor based on their pro rata share of educational and general expenses.

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

7. University presidents and the chancellor may be requested to supplement the ~~office of~~ internal ~~audit and risk assessment~~ review group staffing with personnel who have special skills or training. This suggested "consultant" approach will help to minimize the permanent staffing of the internal ~~department~~ review group.

8. ~~University presidents shall designate a campus representative as liaison to the internal review group. The individual appointed shall be~~

the university's internal auditor or another representative. As stated in Board of Governors' Policy 1986 01: *Audit*, "The establishment of an independent internal audit function at each university shall be advocated and respected as a responsible management practice."

9. 8.   All completed reviews, special projects, and investigations conducted by the office of internal audit and risk assessment review group shall be made available to the Audit Committee, Chancellor, and to the local University Council of Trustees for issues applicable to their institution.

Audit Committee Meeting
July 15, 2009

SUBJECT: Office of Internal Audit and Risk Assessment 2009-10 Annual Work Plan
(ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND:
Board of Governors Policy 1991-06-A, *State System Audit Policy*, requires that the Audit Committee review and recommend for approval the Office of Internal Audit and Risk Assessment's Annual Work Plan.

As a result of restructuring PASSHE's internal audit function, the proposed 2009-10 Annual Work Plan will evolve during the first half of the plan year. Management will focus on developing departmental staffing, education and communication on the risk assessment process within the System community, conclusion of carry-over projects from the department's 2008-09 Annual Work Plan and special audit project requests.

At the January 2010 Board of Governors meeting, the Audit Committee will be provided an update on achievements, in addition to a request for approval of planned assignments spanning the second half of the department's 2009-10 Annual Work Plan. This will afford accurate project planning based on available departmental staffing hired to complete the proposed engagements.

MOTION: That the Board of Governors approve the Office of Internal Audit and Risk Assessment's Annual Work Plan for the period July through December 2009 (attached).

Supporting Documents Included: Office of Internal Audit and Risk Assessment's 2009-10 Annual Work Plan

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

Reviewed by: Audit Committee

Prepared by: Dean A. Weber   **Telephone:** (717) 720-4243

PENNSYLVANIA STATE SYSTEM OF HIGHER EDUCATION
OFFICE OF INTERNAL AUDIT and RISK ASSESSMENT
2009-10 ANNUAL WORK PLAN

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2009-10 Work Plan Initiatives – July through December 2009

Departmental Staffing – Under the approved restructuring plan, complete actions necessary to secure audit staff necessary to fulfill the mission and objectives of the Office of Internal Audit and Risk Assessment.

Communicate PASSHE's Risk Assessment Initiatives – Work with System colleagues providing the basis for implementing a multi-layered risk assessment process with an over arching goal of developing a prioritized internal audit plan based on recognized levels of risk exposure and potential resulting liabilities. Specific work will include a pilot process at one PASSHE university and the Office of the Chancellor. Assessments will be based on strategic, financial, operational, compliance, reputational, and environmental risks impacting the entities analyzed.

Carry-over 2008-09 Annual Work Plan Projects – Completion of eight projects currently in process related to Travel Policies and Reimbursed Expenses, Parking Fines, Tuition and Fee Waivers, and Work Study Employment. Audit work will be completed and final reports detailing internal audit outcomes will be issued.

Special Projects – Board of Governors Policy 1991-09-A, _State System Audit Policy_, provides for the Office of Internal Audit and Risk Assessment to conduct special project audits and investigations as requested by the Board of Governors, the Chancellor and University Presidents, as well as outside entities, e.g. the Commonwealth's Auditor General or Inspector General.

2009-10 Work Plan Initiatives – January through June 2010

Based on staffing, projects will be identified and determined contingent on the total number of auditor personnel hours available. A detail of proposed audit engagements including project categories of risk assessment, governance, compliance, IT controls, financial, operational, reputational, miscellaneous, and special projects will be provided at the January 2010 Board of Governors meeting for approval.

Audit Committee Meeting
July 15, 2009

SUBJECT: Office of Internal Audit and Risk Assessment 2009-10 Annual Budget and Staffing Level (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: Board of Governors Policy 1991-06-A, *State System Audit Policy,* requires that the Audit Committee review and recommend for approval the Office of Internal Audit and Risk Assessment's proposed budget and staffing level. It also specifies the division's cost is to be funded as a direct Board of Governors' expense to the legislative appropriation prior to allocation based on the System's funding formula.

MOTION: That the Board of Governors approve the Office of Internal Audit and Risk Assessment's fiscal year 2009-10 proposed budget and staffing level (attached).

Supporting Documents Included: Budget Summary (Office of Internal Audit and Risk Assessment's 2009-10 Annual Budget and Staffing Level)

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

Reviewed by: Audit Committee

Prepared by: Dean A. Weber   **Telephone:** (717) 720-4243

BUDGET SUMMARY

Function: Office of Internal Audit and Risk Assessment

Cost Proration Basis: Funded as a direct Board of Governors expense to the legislative prior to allocation to universities.

		FY 2007/08 Actual	FY 2008/09 Projected	% Change	FY 2008/09 Budget	FY 2009/10 Budget Request
FTE Complement:	Authorized	3.00	3.00	0.0%	3.00	7.00
	Filled	3.00	2.65	-11.7%	3.00	7.00
Revenue		$0	$0	—	$0	$0
Personnel Expenditures:						
Salary		233,022	250,276	7.4%	245,962	509,956
Benefits		77,187	79,986	3.6%	80,552	211,410
Total Personnel Expenditures		310,209	330,262	6.5%	326,514	721,366
Operating Expenditures:						
Postage/Freight		76	100	31.6%	100	233
Telecommunications Charges		0	0	—	0	0
Advertising		0	0	—	0	0
Subscriptions		83	100	20.5%	100	233
Memberships		480	600	25.0%	600	1,800
Printing and Duplicating		0	0	—	0	0
Travel and Transportation		4,506	11,000	144.1%	10,000	45,000
Computing and Data Processing		0	0	—	0	0
Professional Development		0	0	—	0	15,000
Other Services		228	400	75.4%	400	400
Insurance		0	0	—	0	0
Utilities		0	0	—	0	0
Rental and Lease (Excluding Vehicles)		0	1,300	—	0	4,900
Miscellaneous Services		0	0	—	0	0
Supplies		210	500	138.1%	700	1,167
Overhead		53,957	48,328	-10.4%	48,328	70,013
Payments to PASSHE Universities		0	0	—	0	0
Expensed Assets		0	0	—	8,317	0
Renewal and Replacement Transfer		2,806	1,498	-46.6%	1,498	17,232
Total Operating Expenditures		62,346	63,826	2.4%	70,043	155,978
Capital Expenditures		0	0	—	0	0
Total Expenditures		372,555	394,088	5.8%	396,557	877,344
Less Renewal and Replacement Released		0	(8,317)	—	(8,317)	0
Net Expenditures		$372,555	$385,771	3.5%	$388,240	$877,344

Audit Committee Meeting
July 15, 2009

SUBJECT: Appoint Departmental Leadership to the Office of Internal Audit and Risk Assessment (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: Board of Governors Policy 1991-06-A, *State System Audit Policy*, requires the Audit Committee to approve the appointment of the director of the Office of Internal Audit and Risk Assessment.

The department's former director retired in February 2009. Upon his departure, Dean A. Weber assumed responsibility for ongoing direction of PASSHE's internal audit operation. Mr. Weber has given leadership in refocusing the System's internal audit function to provide a cohesive organizational structure responsible for facilitating risk assessment activities and enhancing the level of internal audit services supporting PASSHE operations. Mr. Weber is a certified internal auditor and has been employed by the System's internal audit department since July 1993.

MOTION: That the Board of Governors approve the appointment of Dean A. Weber to the position of Director, Office of Internal Audit and Risk Assessment.

Supporting Documents Included: None

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

Reviewed by: Audit Committee

Prepared by: Peter H. Garland   **Telephone:** (717) 720-4205

Audit Committee Meeting
July 15, 2009

SUBJECT: 2008-09 Annual Report – Internal Review Group (INFORMATION)

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UNIVERSITIES AFFECTED: All

BACKGROUND:
Board of Governors Policy 1991-06-A, *State System Audit Policy*, requires providing the Audit Committee with an annual report of the Internal Review Group's activities. In addition, members of the Audit Committee are provided quarterly updates throughout the fiscal year summarizing progress toward completion of the Department's annual work plan.

As indicated in the 2008-09 Annual Report, the Department completed audits of System Accountability Plan outcomes at universities where the president was undergoing a formal evaluation in fiscal year 2008-09, including Cheyney, Edinboro, Lock Haven, Shippensburg and Slippery Rock Universities. Audits of travel policies and reimbursed expenses at Bloomsburg, Clarion, Indiana, Millersville and West Chester Universities were completed. Limited scope reviews were also conducted at various universities related to overtime earnings, parking fines, tuition and fee waivers, and work study employment.

Throughout the year, special project reviews were completed at select universities covering projects related to bookstore operations, presidential vehicle lease, university payroll operations, university food service/catering expenses, grant activity and other areas.

In February 2009, the department's former director retired from PASSHE. Significant planning and analysis was undertaken to refocus the System's internal audit approach to provide a cohesive organizational structure responsible for facilitating risk assessment activities, and in turn, structure an internal audit plan based on recognized levels of risk exposure and liabilities.

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Supporting Documents Included: Internal Review Group 2008-09 Annual Report

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

Reviewed by: N/A

Prepared by: Dean A. Weber   **Telephone:** (717) 720-4243

PENNSYLVANIA STATE SYSTEM OF HIGHER EDUCATION
INTERNAL REVIEW GROUP
2008-09 ANNUAL REPORT

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EXECUTIVE SUMMARY

The Annual Report of the Internal Review Group (IRG) is intended to inform the Board of Governors about accomplishments of the System's internal audit function and demonstrate accountability for resources, consistent with our approved 2008-09 work plan. The IRG provided the Board's Audit Committee with quarterly updates during the fiscal year summarizing progress toward completion of the overall annual work plan. Additionally, all Audit Committee members were furnished copies of final reports detailing specific findings and recommendations resulting from the completion of each audit.

During the year, the IRG completed planned audits at nine universities and limited scope reviews at five institutions. Additionally, another eight projects are in-process and nearing completion. These projects are intended to be concluded during the first quarter of fiscal year 2009-10.

Limited scope reviews initially planned at three universities have been cancelled due to changing priorities and, in part, from audit outcomes of completed work at other institutions identifying low risk exposure for the audit area. Through the course of the year, 12 special projects were also accomplished along with work facilitating restructuring of PASSHE's internal audit operation. Details related to each of the special projects were communicated in specific written correspondence or as part of general quarterly updates provided to Audit Committee members.

Two Audit Committee meetings were held in compliance with Board of Governors Policy 1991-06-A, *State System Audit Policy.*

We believe the work of our office has contributed to the efficient and effective operation of the Pennsylvania State System of Higher Education and look forward to further enhancing our department's internal audit efforts, including facilitating a risk assessment of PASSHE operations. Our goal is to promote internal audit projects based on recognized levels of risk and advance implementation of appropriate internal controls necessary to support the System's mission.

For further information about the contents of this report or any audit engagement mentioned herein, please contact me. Thank you.

Sincerely,
Dean A. Weber, CIA
Manager, Internal Review Group

Annual Report 2008-09

Pennsylvania State System of Higher Education
Internal Review Group (IRG)

Planned Audits

System Accountability Program

Objective
Continue an ongoing formal audit process of PASSHE Universities' reported progress toward achieving quantitative measures and qualitative accomplishments defined by the System Accountability Program.

Scope
IRG will conduct audits of the System Accountability Program at universities where the president is undergoing a formal evaluation in fiscal year 2008-09. The review will include a campus visit and cover selected components of the Program related to performance funding and accountability measures.

PASSHE Institution	Institution Contacted	Audit Work Conducted	Draft Report Issued	Final Report Issued	Work Carried to 2009/10 Work Plan
Cheyney	✓	✓	✓	✓	*n/a*
Edinboro	✓	✓	✓	✓	*n/a*
Lock Haven	✓	✓	✓	✓	*n/a*
Shippensburg	✓	✓	✓	✓	*n/a*
Slippery Rock	✓	✓	✓	✓	*n/a*

Travel Policies and Reimbursed Expenses

Objective
Ensure all PASSHE entities and personnel follow requirements of Board of Governors' policy and appropriate collective bargaining agreements concerning travel regulations and reimbursed expenses in accordance with applicable terms and conditions of employment.

Scope
IRG will perform ongoing periodic audits of PASSHE travel regulations and reimbursed expenses for members of the Board of Governors, Councils of Trustees, senior policy executives and other personnel. Over time, the audits will cover sample tests of all levels of personnel and locations System-wide.

PASSHE Institution	Institution Contacted	Audit Work Conducted	Draft Report Issued	Final Report Issued	Work Carried to 2009/10 Work Plan
Bloomsburg	✓	✓	✓	✓	n/a
Clarion	✓	✓	✓	✓	n/a
Indiana	✓	✓			✓
Millersville	✓	✓	✓	✓	n/a
West Chester	✓	✓	✓	✓	n/a

Limited Scope Reviews

Linked to Board Policy 1991-06-A, *State System Audit Policy*, IRG Directive 1991-06.2 defines the protocol and "Procedures for Conducting Limited Scope Reviews." The procedures provide a uniform structure for completing the work, communicating its purpose and scope, and reporting results.

Overtime Earnings

Objective
Review overtime earnings of PASSHE employees to identify any potential situations where such pay appears excessive or outside normal expectations.

Scope
IRG will examine SAP payroll reports detailing overtime paid to System employees by location for a selected time period. Overtime earnings that appear excessive will be reviewed in detail to ensure their propriety, including discussions with respective supervisors.

PASSHE Institution	Institution Contacted	Audit Work Conducted	Draft Report Issued	Final Report Issued	Work Carried to 2009/10 Work Plan
California	✓	✓	✓	✓	n/a
Indiana	✓	✓	✓	✓	n/a
Kutztown	✓	✓	✓	✓	n/a
Slippery Rock	✓	✓	✓	✓	n/a
West Chester	✓	✓	✓	✓	n/a

Parking Fines

Objective
Review established controls and procedures to ensure campus issued parking fines are properly charged, collected and recorded in compliance with PASSHE and University policies and guidelines.

Scope
From a random sample of parking tickets issued by University police departments on selected campuses, the citations will be traced from time of issuance to final resolution, i.e., payment, voided, etc., to verify they were properly handled and recorded. In addition to reviewing local guidelines and related documentation, appropriate campus personnel will be interviewed to ensure proper procedures and controls exist to safeguard the handling and recording of parking fines in accordance with System policy.

PASSHE Institution	Institution Contacted	Audit Work Conducted	Draft Report Issued	Final Report Issued	Work Carried to 2009/10 Work Plan
Bloomsburg	✓	✓			✓
Mansfield	✓	✓			✓
Slippery Rock	✓			Audit Cancelled	
West Chester	✓			Audit Cancelled	

Tuition and Fee Waivers

Objective
Verify eligibility and accuracy of tuition and fee waivers received by PASSHE students, employees and their dependents in accordance with requirements of Board of Governors and University policy.

Scope
A random sample of students, employees and dependents who received a tuition and/or fee waiver under various System programs during a recent semester will be selected for detailed testing. Each recipient's eligibility and credited waiver amount will be confirmed for accuracy. Along with a review of local supporting documentation, appropriate personnel will be interviewed to ensure existing controls and procedures are adequate regarding the approval and recording of tuition and fee waivers.

PASSHE Institution	Institution Contacted	Audit Work Conducted	Draft Report Issued	Final Report Issued	Work Carried to 2009/10 Work Plan
California	✓	✓			✓
Indiana	✓	✓			✓
Kutztown	✓	✓			✓

Work-Study Employment

Objective

Confirm awarding, funding and payment of work-study wages to student employees are in compliance with federal, PASSHE and University policies and guidelines.

Scope

For a random sample of students participating in the federal work-study program, examine and test supporting documentation to verify eligibility, work hour limits, wage rates, processing of time sheets and payments are in accordance with compliance guidelines. Interview appropriate campus personnel and review current controls and procedures to ensure adequacy, including recordkeeping requirements.

PASSHE Institution	Institution Contacted	Audit Work Conducted	Draft Report Issued	Final Report Issued	Work Carried to 2009/10 Work Plan
East Stroudsburg	✓			*Audit Canceled*	
Slippery Rock	✓	✓			✓
West Chester	✓	✓			✓

Special Projects Completed during Fiscal Year 2008-09

Cheyney University

Bookstore Physical Inventory – Completed a physical inventory of the University's bookstore at the request of the Office of the Chancellor's Administration and Finance Division. Rather than outsourcing, completing the assignment in-house resulted in a cost savings to the University.

Assumed Bookstore Management Leadership – At the request of the Vice Chancellor for Administration and Finance, with approval from the Audit Committee, Dean Weber was assigned management oversight for University bookstore operations until staffing concerns were addressed.

Travel Card Usage – Completed a detailed analysis of credit card transactions and reimbursement requests found to be in violation of travel card guidelines. Audit results were utilized to identify payroll withholding necessary to recover improper expenditures.

Rental Car Usage – Completed an investigation concerning personal use of a rental vehicle by a University employee to confirm the business necessity of the timeframe paid by the Institution and ensure all personal usage was paid by the employee.

Keystone Honors Academy Grant – Facilitated communications with appropriate parties to obtain required specifications and procurement of laptop computers for students in compliance with the terms and conditions of the grant funds.

Interim Vice President for Finance and Administration – At the request of the Vice Chancellor for Administration and Finance, Dean Weber was requested to provide assistance on an as-needed basis supporting the Vice President's transition to the University.

Call Me MISTER Grant – Completed an audit of grant terms between the University and the Pennsylvania Department of Education providing $1 million to students majoring in elementary education.

Middle States Accreditation – Provided correspondence on noted improvements in the operation and management of the University's bookstore. The documentation was necessary as part of the Institution's Middle States accreditation process.

Payroll Operations – Received a request from President Howard-Vital to complete an independent analysis and review of the SAP payroll organizational structure to ensure payments are accurately processed. Audit field work is completed with our final report to be issued during first quarter 2009-10.

West Chester University

Food Service Catering Expenses – Based on occurrences identified as part of the University's Planned Review of Travel and Reimbursed Expenses, the Board of Governors Audit Committee Chairman authorized an independent audit of University Food Service/Catering Expenses.

Presidential Lease Vehicle – Consulted with University purchasing personnel and Office of the Chancellor staff to assist in securing a new lease vehicle for use by the Institution's incoming president.

Office of Inspector General Referrals

Vehicle Usage Complaints – Three separate instances concerning the use of state vehicles assigned to PASSHE Universities were investigated. Two complaints were found to be valid while the other was not.

Internal Review Group Restructuring

Reorganizational Meetings – IRG management held various meetings with the Board of Governors Audit Committee Chairman and the Chancellor to discuss alternatives, based on best practices used by other public higher education institutions, to enhance the structure and reporting relationship of PASSHE's internal audit function. Numerous additional meetings were also held with the Chancellor and Office of the Chancellor Executive Staff members.

Council of Presidents Meeting – Developed and presented PowerPoint presentations at the group's January and February 2009 meetings related to alternatives for realignment of PASSHE internal audit operation.

Internal Audit Staffing Study – Compiled a comparison report of PASSHE internal audit operations against its peer U.S. System organizations. The document highlighted expenditures per auditor, assets per auditor, employees per auditor and the number of students per auditor.

PASSHE Risk Assessment – Held discussions with and presented information to several Office of the Chancellor Executive staff members on issues related to the need for internal audit to facilitate leadership for PASSHE to embark on a formal risk assessment analysis of operations to ensure risks are properly recognized and managed. Prepared a detailed summary document, *Preliminary Analysis of Auditable Areas and Risk Exposures,* defining specific risk areas within PASSHE operations.

Audit Committee Meetings

July 16, 2008

The Director, Internal Review Group, briefed the Board of Governors Audit Committee on the annual accomplishments and activities of the Internal Review Group contained in the department's 2007-08 annual report. He also presented the 2008-09 annual work plan, budget and staffing level for the IRG. In accordance with Board of Governors' Policy 1991-06-A, *State System Audit Policy*, the Audit Committee recommended, and the Board approved, the IRG 2008-09 annual work plan, budget and staffing level.

October 8, 2008

In accordance with requirements of Board Policy, the Audit Committee met to review PASSHE's audited financial statements for fiscal year ended June 30, 2008. During the meeting, partners from Parente Randolph, PASSHE's independent public accounting firm, provided a briefing and answered questions related to various documents shared with the Audit Committee and other System officials present at the meeting.

Pennsylvania State System of Higher Education

Finance, Administration, and Facilities Committee Meeting

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

Wednesday, July 15, 2009

Agenda

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Committee Members: C.R. "Chuck" Pennoni (Chair), John M. Brinjac (designee for Governor Edward Rendell), Donna Cooper (designee for Secretary Gerald L. Zahorchak), Representative Michael K. Hanna, Senator Vincent J. Hughes, Guido M. Pichini, and Kenneth M. Jarin (ex officio).

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

Finance, Administration, and Facilities Committee Meeting
July 15, 2009

SUBJECT: Fiscal Year 2009/10 Operating Budget Update (INFORMATION)

UNIVERSITIES AFFECTED: All

BACKGROUND: At its meeting on October 23, 2008, the Board of Governors approved a 2009/10 Educational and General (E&G) appropriation request of $526.9 million, reflecting a $28.4 million or 5.7% increase to fund partially a $1.4 billion E&G budget. In addition, the Board approved requests for four line items totaling $25.7 million.

At its April 2009 meeting, revised expenditure requirements were presented to the Board. A budget presentation will be provided at the Board of Governors' meeting to reflect the most current revenue and expenditure estimates. Given the absence of a state budget at the time of this mailing, more information will be provided at the meeting.

This information is necessary to support the Finance, Administration, and Facilities Committee's recommendations to the full Board concerning the following:

- Fiscal Year 2009/10 Program Initiatives Line Item Allocation
- Fiscal Year 2009/10 Educational and General Appropriation Allocation
- Fiscal Year 2009/10 Tuition and Technology Tuition Fee Rates

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Supporting Documents Included: None

Other Supporting Documents Available: Fiscal Year 2009/10 Appropriations Request; October 22–23, 2008, meeting materials; February 4, 2009, conference call materials; Commonwealth's 2009/10 Budget; April 2, 2009, meeting materials.

Reviewed by: Council of Presidents, May 20, 2009

Prepared by: James S. Dillon   **Telephone:** (717) 720-4100

Finance, Administration, and Facilities Committee Meeting
July 15, 2009

SUBJECT: Fiscal Year 2009/10 Program Initiatives Line Item Allocation (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: At its October 2008 meeting, the Board of Governors approved line item requests, including a $22,538,000 line item for Program Initiatives. The Commonwealth budget appropriated $XX,XXX,XXX for this line item. The Program Initiatives line item components are summarized below, reflecting the amount allocated by the Board to each of these initiatives in 2008/09 and both the requested and recommended amounts for 2009/10.

	2008/09 Allocation	2009/10 Initial Request	2009/10 Recommendation
Performance Funding	$9,970,000	$10,538,000	TBD
Information Technology	$5,000,000	$5,000,000	TBD
Economic Development	$1,868,000	$5,000,000	TBD
Educator Excellence	$1,210,000	$2,000,000	TBD
Cheyney Revitalization	$500,000	$0	TBD

The attachment provides an explanation of each of these items.

MOTION: That the Board of Governors approve the attached allocation of funds from PASSHE's fiscal year 2009/10 Program Initiatives line item.

Supporting Documents Included: Allocation of the Fiscal Year 2009/10 Program Initiatives Line Item

Other Supporting Documents Available: Fiscal Year 2009/10 Appropriations Request; October 15–16, 2008, meeting materials; February 4, 2009, conference call materials; Commonwealth's 2009/10 Budget

Reviewed by: Council of Presidents, June 10, 2009

Prepared by: James S. Dillon   **Telephone:** (717) 720-4100

Pennsylvania State System of Higher Education
Allocation of the Fiscal Year 2009/10 Program Initiatives Line Item

Performance Funding... **TBD**

The Board of Governors has recognized performance at PASSHE Universities for the last seven years through the Performance Funding Program. In 2008/09, the program was funded with $29.9 million from the E&G appropriation and $10.0 million from the Program Initiatives line item, for a total of $39.9 million, equivalent to 8% of the E&G appropriation. At its October 2008 meeting, the Board of Governors approved continuing performance funding at this level in 2009/10, partially through the use of this line item.

Information Technology .... **TBD**

PASSHE continues to enhance the System-wide integrated administrative system that is used to maximize efficiency of administrative processing (i.e., procurement, budget, accounting, human resources management, and payroll) and to support decision support requirements at all 14 Universities and the Office of the Chancellor. The resulting data from administrative processes are used with a robust data warehouse system for PASSHE and University reporting and data analysis. Continued funding for this project is necessary to support implementation of additional functionality, upgrades to the administrative application and required hardware, and disaster recovery.

Economic and Workforce Development... **TBD**

PASSHE Universities are key partners for state and regional economic development. Their mission-based contribution to economic and workforce development is increasing human capital for tangible productivity and income benefits, creating intellectual wealth for commercialization potential. Continuation of funding for the economic and workforce development initiatives will enhance PASSHE's partnerships with state and local communities to increase economic and workforce development throughout the regions of the Commonwealth.

Funding has been used to support the expansion of student internships and the development of Entrepreneurial Leadership Centers and university business infrastructure.

Educator Excellence... **TBD**

The Educator Excellence component of the Program Initiatives line item will build upon the strengths of PASSHE Universities and the Pennsylvania Academy for the Profession of Teaching and Learning. This funding will support efforts to improve the quality of teachers, school administrators, and programs designed to improve education at all levels. Among the activities that have been funded are: (1) enhancing the quality of preparation for PK-8 educators; (2) improving preparation of education students for the PRAXIS test; (3) increasing the number of qualified teachers and other professionals for urban school districts; (4) increasing the number and quality

of science and mathematics teachers; (5) enhancing the skills of current teachers and administrators through professional development; and (6) increasing the diversity of the teacher work force.

Cheyney Revitalization... <mark>TBD</mark>

Funding is sought to assist in Cheyney University of Pennsylvania's revitalization efforts in various areas that will, in turn, increase the enrollment at the University and continue the rich legacy that has been created there.

Finance, Administration, and Facilities Committee Meeting
July 15, 2009

SUBJECT: Fiscal Year 2009/10 Educational and General Appropriation Allocation (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: Board of Governors' Policy 1984-06-A: *Allocation Formula*, specifies the method by which the Educational and General (E&G) appropriation is allocated annually to the Universities for their basic funding requirements. To determine the amount of the fiscal year 2009/10 E&G appropriation that is to be distributed to the Universities through the allocation formula, certain items of System-wide significance must first be funded. These items and their recommended fiscal year 2009/10 funding levels are described in Attachment 1.

MOTION: That the Board of Governors approve the following allocation of funds from PASSHE's fiscal year 2009/10 E&G appropriation.

Item	Amount
Office of Internal Audit and Risk Assessment	$500,000
APSCUF Professional Development Fund	$150,000
APSCUF New Tenure-Track Faculty Professional Development Fund	$50,000
SCUPA Professional Development Fund	$10,000
Dixon University Center Academic Programs	$1,400,000
System Reserve	$662,860
McKeever Environmental Learning Center	$368,332

Supporting Documents Included: Funding of System-Wide Initiatives from the Fiscal Year 2009/10 E&G Appropriation (Attachment 1); Report of Expenditures from the System Reserve (Attachment 2)

Other Supporting Documents Available: Fiscal Year 2009/10 Appropriations Request; October 22–23, 2008, meeting materials; Commonwealth's 2009/10 Budget; Board of Governors' Policy 1984-06-A: *Allocation Formula*

Reviewed by: Council of Presidents, June 10, 2009

Prepared by: James S. Dillon   **Telephone**: (717) 720-4100

Pennsylvania State System of Higher Education
Funding of System-Wide Initiatives from the Fiscal Year 2009/10 E&G Appropriation

Office of Internal Audit and Risk Assessment—Formerly named the Internal Review Group, the functions performed in this office have been funded through Consolidated University Operations (CUO) payments. As reflected in item 1 of the Audit Committee's agenda, there is a need to develop a formalized process for assessing and managing risk within the organization. Therefore, PASSHE's internal audit function is being expanded to provide a cohesive organizational structure responsible for facilitating risk assessment activities and, in turn, structuring an internal audit plan based on high risk areas. Outcomes will provide stronger reporting of risk factors and internal control weaknesses, with their potential impact on operations, to the Audit Committee of the Board of Governors, Chancellor, University Presidents, and University Councils of Trustees. In fiscal year 2009/10, the total appropriation recommended to begin expansion of this office is $500,000.

Professional Development Funds—The collective bargaining agreement with the Association of Pennsylvania State College and University Faculties (APSCUF) continued the Faculty Professional Development Program with a fiscal year 2009/10 funding requirement of $150,000 for current faculty members and $50,000 for probationary faculty members. The new collective bargaining agreement between PASSHE and the State College and University Professional Association (SCUPA) will require $85,000 for its professional development program. In fiscal year 2005/06, during negotiations for the previous SCUPA contract, $75,000 was set aside in good faith to fund this development program. As part of the final contract, no funding was required for that year; therefore, the money is now available for use. It will be added to the $10,000 that is being set aside in the 2009/10 budget to create the $85,000 pool that is needed.

Dixon University Center Academic Programs—The academic programming performed at the Dixon University Center has been funded partially through the E&G appropriation for many years. The total appropriation recommended for continuation of these academic services and associated maintenance of the Dixon University Center site is $1,400,000. This represents level funding for these activities from the previous year.

Replenishment of the System Reserve—The total recommended allocation to the System Reserve for Fiscal Year 2009/10 is $662,860, which will replenish the System Reserve to the $1,500,000 level required by Board of Governors' Policy 1984-07-A: *System Reserve Allocation and Expenditure Criteria*. Attachment 2 is a detailed list of expenditures for fiscal year 2008/09 and a list of projected expenditures for fiscal year 2009/10. The amount to be replenished is less than the total expenditures, due to interest earnings.

McKeever Environmental Learning Center—An allocation of $368,332 is recommended for operation of the McKeever Environmental Learning Center by Slippery Rock University of Pennsylvania. This funding level augments its line item appropriation and represents level funding in McKeever's share of the E&G appropriation.

Pennsylvania State System of Higher Education
Report of Expenditures from the System Reserve

Actual 2008/09 Expenditures

Presidential Search (West Chester)	$1,839
California Property Appraisal	3,950
Clarion Property Appraisal	4,200
Cheyney 2000 (expended balance of previously designated funds)	19,987
Presidential Residence (West Chester)	613,860
System Financial Audit (Fiscal Year 2007/08)	74,814
Total Anticipated Fiscal Year 2008/09 Expenditures	**$718,650**

Anticipated 2009/10 Expenditures

System Financial Audit (Fiscal Year 2008/09)	$77,500
Presidential Residence (West Chester)	30,000
Total Anticipated Fiscal Year 2009/10 Expenditures	**$107,500**

Finance, Administration, and Facilities Committee Meeting
July 15, 2009

SUBJECT: Fiscal Year 2009/10 Tuition and Technology Tuition Fee Rates (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: In compliance with Board of Governors' Policy 1999-02-A: *Tuition*, it is recommended that the Board approve the proposed Fiscal Year 2009/10 Tuition Schedule (Attachment 1) and the Fiscal Year 2009/10 Technology Tuition Fee Schedule (Attachment 2).

MOTION: That the Board of Governors approve the fiscal year 2009/10 tuition rates in Attachment 1 and technology tuition fee rates in Attachment 2.

Supporting Documents Included: Fiscal Year 2009/10 Tuition Schedule (Attachment 1); Fiscal Year 2009/10 Technology Tuition Fee Schedule (Attachment 2)

Other Supporting Documents Available: Fiscal Year 2009/10 Appropriations Request; Board of Governors' meeting materials from October 22–23, 2008, and April 1–2, 2009; Board of Governors' Policy 1999-02-A: *Tuition*

Reviewed by: Council of Presidents, May 20, 2009

Prepared by: James S. Dillon   **Telephone:** (717) 720-4100

Pennsylvania State System of Higher Education
Fiscal Year 2009/10 Tuition Schedule

Student Classification	2008/09	2009/10	Change
Full-Time Academic Year			
Resident Undergraduate	$5,358.00		
Resident Graduate	$6,430.00		
Nonresident Undergraduate:			
Maximum (250%)*	$13,396.00		
$2,000 less than Maximum (LO)	$11,396.00		
225% (SH**)	$12,056.00		
200% (CH**, CL**, SL**)	$10,716.00		
165% (MA**)	$8,842.00		
160% (CA)	$8,574.00		
150% (CL**, EA**, ED**, IN**, SH**, SL**, MSC**)	$8,038.00		
Nonresident Graduate	$10,288.00		
Full-Time Semester			
Resident Undergraduate	$2,679.00		
Resident Graduate	$3,215.00		
Nonresident Undergraduate:			
Maximum (250%)*	$6,698.00		
$2,000 less than Maximum (LO)	$5,698.00	*Note: Final 2009/10 tuition recommendations will be developed at the Board of Governors' Finance, Administration, and Facilities Committee meeting on July 15, 2009.*	
225% (SH**)	$6,028.00		
200% (CH**, CL**, SL**)	$5,358.00		
165% (MA**)	$4,421.00		
160% (CA)	$4,287.00		
150% (CL**, EA**, ED**, IN**, SH**, SL**, MSC**)	$4,019.00		
Nonresident Graduate	$5,144.00		
*Per Student Credit Hour***			
Resident Undergraduate	$223.00		
Resident Graduate	$357.00		
Nonresident Undergraduate:			
Maximum (250%)*	$558.00		
$2,000 less than Maximum (LO)	$475.00		
225% (SH**)	$502.00		
200% (CH**, CL**, SL**)	$447.00		
165% (MA**)	$368.00		
160% (CA)	$357.00		
150% (CL**, EA**, ED**, IN**, SH**, SL**,MSC**)	$335.00		
Nonresident Graduate	$572.00		
Nonresident Undergraduate Distance Education, Minimum	$227.00		
Nonresident Undergraduate Distance Education, Maximum	$558.00		
Nonresident Graduate Distance Education, Minimum	$364.00		
Nonresident Graduate Distance Education, Maximum	$893.00		

MSC=Marine Science Consortium

*Charged to all nonresidents not specifically addressed by a University-based Nonresident Tuition Plan, including all international students, who are charged the maximum nonresident rate.

**Applies to certain nonresident students, based upon geographic location, academic program, or academic standing.

***For part-time student charges, and summer and interim sessions.

Pennsylvania State System of Higher Education
Fiscal Year 2009/10 Technology Tuition Fee Schedule

Student Classification	2008/09	2009/10	Increase
Full-Time Academic Year			
Resident Undergraduate	$175.00		
Nonresident Undergraduate	$264.00		
Resident Graduate	$175.00	Note: Final 2009/10 technology tuition fee recommendations will be developed at the Board of Governors' Finance, Administration, and Facilities Committee meeting on July 15, 2009.	
Nonresident Graduate	$264.00		
Full-Time Semester			
Resident Undergraduate	$87.50		
Nonresident Undergraduate	$132.00		
Resident Graduate	$87.50		
Nonresident Graduate	$132.00		
Part-Time (Flat rate for all part-time students)*			
Resident Undergraduate (less than 12 credits)	$43.00		
Nonresident Undergraduate (less than 12 credits)	$65.00		
Resident Graduate (less than 9 credits)	$43.00		
Nonresident Graduate (less than 9 credits)	$65.00		

*For part-time student charges, and summer and interim sessions.

Finance, Administration, and Facilities Committee Meeting
July 15, 2009

SUBJECT: Fiscal Year 2009/10 Capital Spending Plan and Capital Budget Authorization Request (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: For a Commonwealth-funded capital project to start design and construction, funding must be allocated in the Capital Spending Plan, and the project must have specific authorization from the General Assembly in a capital bill. The spending plan is a rolling five-year plan wherein the Board of Governors approves the execution of projects in the first year of the plan and tentatively approves the remaining five years, subject to annual reviews and updates. Projects not currently authorized by the General Assembly must be submitted for approval in the next capital bill. The General Assembly's authorization in a capital bill does not guarantee project funding.

Capital Spending Plan—The Universities provided input for the Capital Spending Plan earlier this year in accordance with Board of Governors' Policy 2000-02: *Capital Facilities Planning, Programming, and Funding*; and the procedures in Volume IV of PASSHE's *Facilities Manual*. Almost 125 projects were submitted with an estimated cost of $1.3 billion. The Universities submit project justifications with specific information on academic benefit; space, ADA, safety, and code compliance deficiencies; new revenue or matching funds potential; cost savings potential; and impact on the deferred maintenance backlog. The projects have been evaluated, prioritized, sorted, and compiled to form the attached spending plan.

Capital Authorization Bill—Based on submissions for the Capital Spending Plan, lists of projects requiring legislative authorization have been developed. With Board approval, the Office of the Chancellor plans to submit the attached lists of projects for authorization in the next capital bill.

MOTION: That the Board of Governors approve the fiscal year 2009/10 Capital Spending Plan and submission of the lists of projects for legislative authorization.

Supporting Documents Included: Capital Spending Plan; Capital Budget Authorization Request for Public Improvement Projects and Original Furniture and Equipment

Other Supporting Documents Available: University-submitted project justifications

Reviewed by: Finance, Administration, and Facilities Committee of the Board, May 7, 2009; Council of Presidents, June 10, 2009; Council of Fiscal and Administrative Vice Presidents, June 24, 2009

Prepared by: James S. Dillon   **Telephone**: (717) 720-4100

Capital Spending Plan
Fiscal Years 2009/10 Through 2013/14
As Presented to the Board of Governors
July 15, 2009

Financial Summary in Current Year Dollars ($000)						
University	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	Five-Year Total
Bloomsburg	$9,980			$22,700		$32,680
California	19,100			6,400		25,500
Cheyney	55,600	$16,240	$500			72,340
Clarion		1,100	25,400	14,943	$2,600	44,043
East Stroudsburg	656	4,823	27,330	2,572		35,381
Edinboro	14,850	1,400	14,561	1,500		32,311
Indiana		4,950	38,925	3,417	66,475	113,767
Kutztown	400	7,125		17,040		24,565
Lock Haven		4,620	3,720	8,566		16,906
Mansfield	5,882	1,100		5,079		12,061
Millersville		19,490	9,500		8,850	37,840
Shippensburg	19,600	19,000		9,188		47,788
Slippery Rock	3,870	31,050	3,774		32,966	71,660
West Chester	2,144	15,400		27,025	7,000	51,569
Annual Total	**$132,082**	**$126,298**	**$123,710**	**$118,430**	**$117,891**	**$618,411**

Financial Summary in Future Year Dollars ($000) Allowing for Inflation at 3% Annually						
University	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	Five-Year Total
Bloomsburg	$9,980			$24,800		$34,780
California	19,100			7,000		26,100
Cheyney	55,600	$16,500	$500			72,600
Clarion		1,100	26,900	16,300	$2,900	47,200
East Stroudsburg	656	5,000	29,000	2,800		37,456
Edinboro	14,850	1,400	15,400	1,600		33,250
Indiana		5,100	41,300	3,700	74,800	124,900
Kutztown	400	7,300		18,600		26,300
Lock Haven		4,700	3,900	9,400		18,000
Mansfield	5,882	1,100		5,500		12,482
Millersville		20,000	10,100		9,800	39,900
Shippensburg	19,600	19,600		10,000		49,200
Slippery Rock	3,870	31,900	4,000		37,100	76,870
West Chester	2,144	15,800		29,600	7,900	55,444
Annual Total	**$132,082**	**$129,500**	**$131,100**	**$129,300**	**$132,500**	**$654,482**

FY 2009/10 Through FY 2013/14 Project Execution Schedule
As Presented to the Board of Governors
July 15, 2009

Proposed Execution Year	University	Project Description	OF&E	Authorization Act	Total Authorization ($000)	Facility Use	University Funds ($000)	Commonwealth Funding Adjusted for Inflation at 3%/Year ($000)
2009/10	Bloomsburg	Sutliff Hall Addition		40/04, Sbmtd	11,300	Business Education	3,000	$7,450
			OF&E	131/02, 41/08	1,280	Business Education		1,280
		Nelson Field House Renovation	OF&E	40/04	1,500	Athletics		1,250
	California	New Convocation Center Construction		40/04	38,400	Athletics	34,400	19,100
	Cheyney	Carver Science Building Renovation		83/06, 41/08	25,000	Science and Technology		17,000
		New Student Housing Construction		41/08	45,000	Housing		38,000
		Additional Funds for Humphreys Hall Renovation		41/08	8,800	Housing		600
	East Stroudsburg	Monroe Hall Renovation	OF&E	40/04	656	General Education		656
	Edinboro	Cooper Science Renovation	OF&E	131/02, Sbmtd	2,300	Science and Technology		2,300
		Institute for Human Services Construction	OF&E	40/04	550	Science and Technology		550
		Ross Hall Renovation or Replacement		41/08	18,000	IT Backbone		12,000
	Kutztown	Maintenance Building Upgrade, Garage Demolition	OF&E	83/06	400	Utilities Infrastructure		400
	Mansfield	Allen Hall Renovation/Replacement	OF&E	223/90	288	General Education		288
		Water Treatment Plant Renovation		41/08	6,000	Utilities Infrastructure		2,600
		Additional Funds for Grant Science Renovation		40/04	10,993	Science and Technology		1,893
		Additional Funds for Allen Hall Renovation/Replacement		40/04, 83/06	8,500	General Education		1,101
	Shippensburg	Huber Arts Center Renovation	OF&E	40/04, 41/08	1,100	Arts and Music		1,100
		Steam and Chilled Water Distribution System Renovation/Replacement		41/08	20,000	Utilities Infrastructure		18,500
	Slippery Rock	Central Boiler Plant Renovation, Phase 3		40/04	3,500	Utilities Infrastructure		2,430
		Old Vincent Science Renovation	OF&E	131/02	1,440	Science and Technology		1,440
	West Chester	EO Bull Center Renovation	OF&E	131/02	944	Arts and Music		944
		Additional Funds for Mitchell Hall Renovation		83/06	9,000	General Education		1,200
							2009/10 Total	$132,082

Proposed Execution Year	University	Project Description	OF&E	Authorization Act	Total Authorization ($000)	Facility Use	University Funds ($000)	Commonwealth Funding Adjusted for Inflation at 3%/Year ($000)
2010/11	Cheyney	Browne Hall Renovation		83/06, 41/08	5,500	Housing		$4,300
		Carver Science Building Renovation	OF&E	Sbmtd	2,100	Science and Technology		2,100
		New Student Housing Construction	OF&E	Sbmtd	4,500	Housing		4,500
		Demolition of Various Buildings				Mixed Usage		5,600
	Clarion	Becht Hall Renovation	OF&E	40/04, 83/06	1,100	Administration		1,100
	East Stroudsburg	Information Commons Construction, Phase 1				Mixed Usage	3,000	5,000
	Edinboro	Ross Hall Renovation or Replacement	OF&E			IT Backbone		1,400
	Indiana	Keith and Leonard Renovation Design				General Education		5,100
	Kutztown	Shaeffer Auditorium Renovation and Addition	OF&E	40/04, 41/08	1,600	Performing Arts		1,100
		69 KV Electrical Substation Construction		Sbmtd	8,000	Administration		6,200
	Lock Haven	Science and Math Center Renovation/Construction, East Campus	OF&E	83/06, Sbmtd	3,000	Science and Technology		3,000
		E&G Structures Demolition		40/04	1,620	Administration		1,700
	Mansfield	Grant Science Renovation	OF&E	40/04	1,100	Science and Technology		1,100
	Millersville	Ganser Library Renovation	OF&E	Sbmtd	1,600	Libraries		1,600
		Additional Funds for Ganser Library Renovation		131/02	15,986	Libraries		8,500
		Additional Funds for Electrical Utilities Upgrade		131/02	7,128	Utilities Infrastructure		9,900
	Shippensburg	Campus Steam/Chilled Water Plant Replacement		41/08	30,000	Utilities Infrastructure		19,600
	Slippery Rock	New Performing Arts Center		83/06, Sbmtd	40,000	Performing Arts	11,601	29,100
		Additional Funds for Central Boiler Plant Renovation, Phase 3				Utilities Infrastructure		2,800
	West Chester	Mitchell Hall Renovation	OF&E			Arts and Music		1,200
		Campus Geothermal Utility Conversion, Phase 2		Sbmtd	13,000	Utilities Infrastructure		14,600
							2010/11 Total	$129,500
2011/12	Cheyney	Browne Hall Renovation	OF&E	83/06	500	Mixed Usage		$500
	Clarion	Tippin Gymnasium Renovation and Expansion		41/08	40,000	Athletics		26,900
	East Stroudsburg	Information Commons Construction, Phase 1				Mixed Usage	23,840	29,000
	Edinboro	Maintenance Building Replacement		83/06, 41/08	17,600	Administration		15,400
	Indiana	Keith Hall Renovation		83/06, 131/02, Sbmtd	21,729	General Education		14,400
		Leonard Hall Renovation		131/02 41/08	15,336	General Education		15,400
		Weyandt/Walsh Hall Renovation or Replacement—Design and Real Estate		Sbmtd	70,000	Science and Technology		11,500
	Lock Haven	Fiber-Optic Infrastructure Upgrade		131/02, Sbmtd	5,720	IT Backbone		3,900
	Millersville	Stayer (Jefferson Hall) Building Renovation		41/08, Sbmtd	11,000	Athletics		10,100
	Slippery Rock	New Performing Arts Center	OF&E	83/06	3,000	Performing Arts		4,000
							2011/12 Total	$131,100

Proposed Execution Year	University	Project Description	OF&E	Authorization Act	Total Authorization ($000)	Facility Use	University Funds ($000)	Commonwealth Funding Adjusted for Inflation at 3%/Year ($000)
2012/13	Bloomsburg	Waller Administration Building Renovation		40/04, 41/08	12,500	Mixed Usage		$24,800
	California	Pedestrian and Vehicular Enhancements, Phase 1		131/02, 41/08	6,592	Utilities Infrastructure		7,000
	Clarion	Becker Hall Renovation		131/02, Sbmtd	23,300	Science and Technology		16,300
	East Stroudsburg	Information Commons Construction, Phase 1	OF&E			Mixed Usage		2,800
	Edinboro	Maintenance Building Replacement	OF&E	83/06, Sbmtd	1,650	Administration		1,600
	Indiana	Keith and Leonard Renovation	OF&E	131/02, Sbmtd	3,417	General Education		3,700
	Kutztown	Lytle Hall Educational Building Demolition and Replacement/Expansion		41/08	30,000	General Education		18,600
	Lock Haven	South Ulmer Hall Renovation		131/02, Sbmtd	11,566	General Education		9,400
	Mansfield	Straghn Auditorium Renovation				Performing Arts		5,500
	Shippensburg	Electrical Distribution System Renovation		40/04	8,730	Utilities Infrastructure		6,700
		Telecommunications Distribution System Renovation		Sbmtd	4,000	IT Backbone		3,300
	West Chester	McCarthy Hall Renovation/Conversion		41/08	20,000	General Education		18,300
		Campus Geothermal Utility Conversion, Phase 3				Utilities Infrastructure		11,300
							2012/13 Total	$129,300
2013/14	Clarion	Tippin Gymnasium Renovation and Expansion	OF&E	131/02, Sbmtd	3,095	Athletics		$2,900
	Indiana	Weyandt/Walsh Hall Renovation or Replacement		Sbmtd	70,000	Science and Technology		74,800
	Millersville	Brooks Hall Renovation		Sbmtd	12,000	Athletics		8,800
		Stayer (Jefferson Hall) Building Renovation	OF&E	Sbmtd	1,000	Athletics		1,000
	Slippery Rock	Bailey Library Renovation/Addition		Sbmtd	44,000	Libraries		37,100
	West Chester	Old Library Renovation				General Education		7,900
							2013/14 Total	$132,500

Sbmtd = A request for authorization was submitted in October 2008.
OF&E = Original Furniture and Equipment

Agency:	Pennsylvania State System of Higher Education Capital Budget Authorization Request Departmental Summary of Requests (Dollars in Thousands) Public Improvement Projects	Source of Funds	Agency Request	OB Recommended	Difference
		Bond..............................	$379,100	$0	$0
		Current...........................	0	0	0
		Federal...........................	0	0	0
		Local..............................	0	0	0
		Other..............................	0	0	0
		Total..............................	$379,100	$0	$0

Priority No.	Project Title/Comments	Location	Source of Funds	Agency Request	OB Recommended
(1)	(2)		(3)	(4)	(5)
1	Demolition of Various Buildings	Cheyney	B	$5,600	
2	Information Commons Construction, Phase 1	East Stroudsburg	B	36,000	
3	Electrical Utilities Upgrade (Additional Funds)	Millersville	B	3,500	
4	Central Boiler Plant Renovation, Phase 3 (Additional Funds)	Slippery Rock	B	4,000	
5	Geothermal Utility and Heating Plant Conversion, Phase 2 (Additional Funds)	West Chester	B	2,000	
6	Weyandt/Walsh Hall Renovation or Replacement (Additional Funds)	Indiana	B	20,000	
7	Waller Administration Building Renovation (Additional Funds)	Bloomsburg	B	15,000	
8	Pedestrian & Vehicular Enhancements, Phase 1 (Additional Funds)	California	B	1,000	
9	Straghn Auditorium Renovation	Mansfield	B	6,000	
10	Geothermal Utility and Heating Plant Conversion, Phase 3	West Chester	B	15,000	
11	Old Library Renovation	West Chester	B	15,000	
12	Information Commons Construction, Phase 2	East Stroudsburg	B	40,000	
13	Lawrence Hall Renovation (Additional Funds)	West Chester	B	2,000	
14	Ganser Library Renovation (Additional Funds)	Millersville	B	10,000	
15	Coover Hall Renovation	California	B	14,500	
16	Stapleton/Stabley Library Renovation	Indiana	B	35,000	
17	Heiges Field House Renovation and Addition	Shippensburg	B	50,000	
18	Morgan Hall Renovation	California	B	17,500	
19	B.F. Library Addition and Renovation	Edinboro	B	65,000	
20	Cooper Science (Additional Funds)	Edinboro	B	12,000	
21	Carver Science Building (Additional Funds)	Cheyney	B	10,000	
			TOTAL	$379,100	$0

Agency:	Pennsylvania State System of Higher Education Capital Budget Authorization Request Departmental Summary of Requests (Dollars in Thousands) Original Furniture and Equipment	Source of Funds	Agency Request	OB Recommended	Difference
		Bond...........................	$25,500	$0	$0
		Current......................	0	0	0
		Federal......................	0	0	0
		Local..........................	0	0	0
		Other..........................	0	0	0
		Total..........................	$25,500	$0	$0

Priority No.	Project Title/Comments	Location	Source of Funds	Agency Request	OB Recommended
(1)	(2)		(3)	(4)	(5)
1	Ross Hall Renovation or Replacement	Edinboro	B	$1,500	
2	Mitchell Hall Renovation	West Chester	B	1,500	
3	New Performing Arts Center (Additional Funds)	Slippery Rock	B	1,500	
4	Information Commons Construction, Phase 1	East Stroudsburg	B	3,600	
5	Keith Hall Renovation (Additional Funds)	Indiana	B	1,000	
6	Leonard Hall Renovation (Additional Funds)	Indiana	B	1,000	
7	Weyandt/Walsh Hall Renovation or Replacement (Additional Funds)	Indiana	B	2,000	
8	Bailey Library Renovation/Addition	Slippery Rock	B	4,500	
9	Waller Administration Building Renovation (Additional Funds)	Bloomsburg	B	1,000	
10	Weyandt/Walsh Hall Renovation or Replacement (Additional Funds)	Indiana	B	2,000	
11	Information Commons Construction, Phase 2	East Stroudsburg	B	4,000	
12	McCarthy Hall Renovation/Conversion (Additional Funds)	West Chester	B	900	
13	Strahn Auditorium Renovation	Mansfield	B	1,000	
			TOTAL	$25,500	$0

Finance, Administration, and Facilities Committee Meeting
July 15, 2009

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

UNIVERSITIES AFFECTED: California University of Pennsylvania

BACKGROUND: California University requests approval to acquire property known as the Phillipsburg School at 750 Orchard Street, California, Pennsylvania. This property contains almost six acres and is strategically located about one block from the University. The property is one of the largest single parcels of land in the Borough of California.

The property was formerly an elementary school for the California Area School District. Most recently its use has been limited to office space for the school district. The site includes a two-story office/classroom building; parking; athletic field with locker room, press box, and concession area; and small storage buildings. The main building is constructed of brick and contains approximately 17,300 gross square feet.

The buildings are in very good condition, and the University intends to use them as is. The office building will be used for staff offices for nonacademic, educational and general functions that do not interface with students. Long term, the property provides the University valuable space that could be used for additional parking, student housing, or other critical needs.

The expected purchase price is approximately $511,000.

MOTION: That the Board of Governors approve California University's acquisition of the property at 750 Orchard Street, California, Pennsylvania.
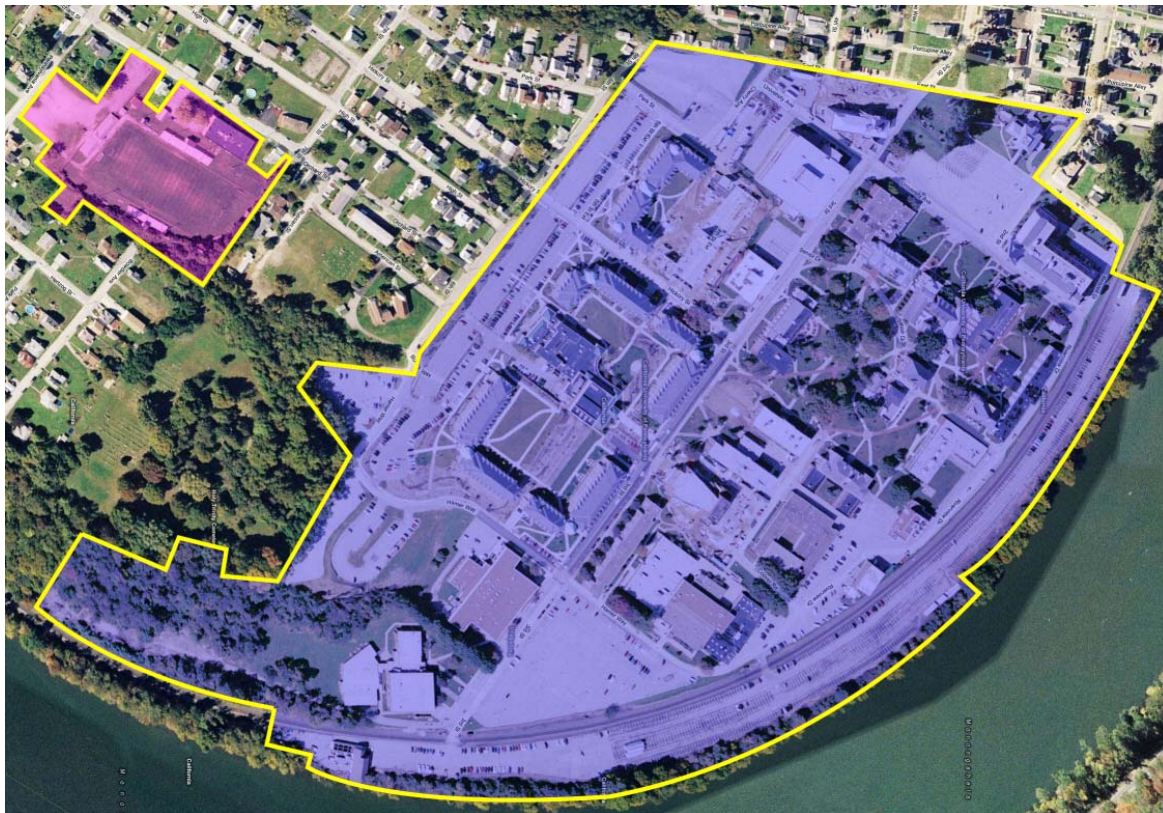

Supporting Documents Included: Aerial View and Photo of Property

Other Supporting Documents Available: Real Property Acquisition Planning Data

Reviewed by: California University's Council of Trustees, June 3, 2009

Prepared by: James S. Dillon   **Telephone:** (717) 720-4100

Aerial View of California University and Property Proposed for Purchase

Main Office Building
750 Orchard Street, California, Pennsylvania

Finance, Administration, and Facilities Committee Meeting
July 15, 2009

SUBJECT: Demolition of Ghering Health and Wellness Center, Edinboro University of Pennsylvania (INFORMATION)

UNIVERSITIES AFFECTED: Edinboro University of Pennsylvania

BACKGROUND: Edinboro University of Pennsylvania intends to demolish the Ghering Health and Wellness Center to make way for the next phase of student housing replacement.

The Ghering Health and Wellness Center is a single-story building and basement totaling about 12,000 gross square feet. Constructed in 1968, the building is in poor condition with most of its major systems beyond their useful life. During the summer of 2009, the second phase of housing renewal at Edinboro University will begin, and the preferred location for the new buildings requires the removal of this outdated structure.

This plan is consistent with the University's Master Plan and has been approved by the University's Council of Trustees. Demolition of the building will require approval from the Department of General Services.
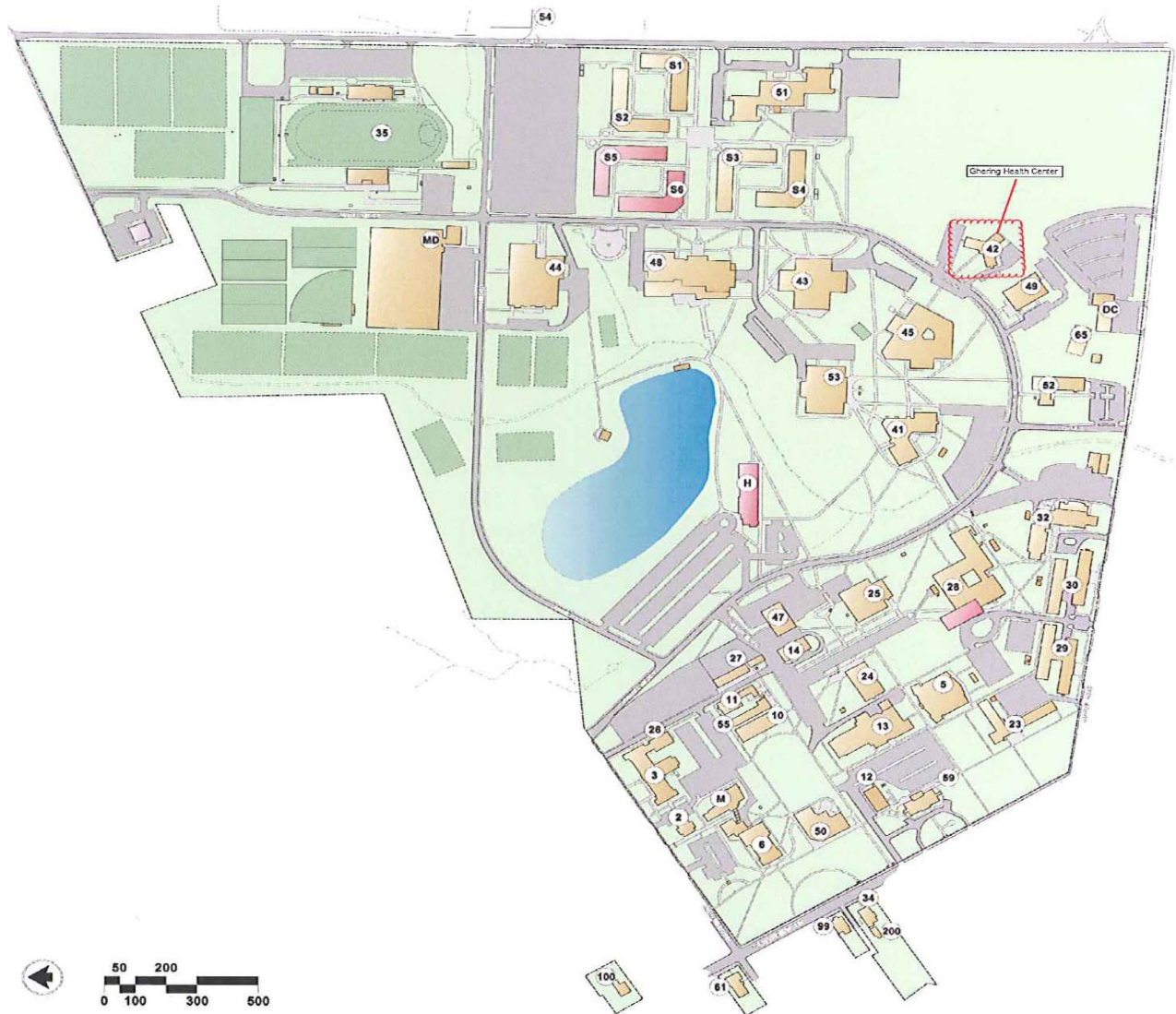

Supporting Documents Included: Campus Map and Photos

Other Supporting Documents Available: Building Demolition Information

Reviewed by: Edinboro University's Council of Trustees, March 16, 2009

Prepared by: James S. Dillon   **Telephone:** (717) 720-4100

Ghering Health Center

KEY

- EXISTING BUILDINGS
- PROPOSED BUILDINGS
- ROADS / PARKING
- OPEN SPACE

Scale: 0 — 50 — 100 — 200 — 300 — 500

BUILDING KEY PLAN

Edinboro University of Pennsylvania
FACILITIES MASTER PLAN
NOVEMBER 2008

DHS / Saratoga Associates
LANDSCAPE ARCHITECTS • ARCHITECTS • ENGINEERS • PLANNERS

#	Building
2	ACADEMY HALL - ADMISSIONS
3	COMPTON HALL
5	R. BENJAMIN WILEY ARTS AND SCIENCES CENTER
6	LOUIS C. COLE AUDITORIUM
10	LOVELAND HALL
11	EAST HALL
12	CENTER FOR THE PERFORMING ARTS
13	CRAWFORD CENTER
14	MAINTENANCE BUILDING
23	CENTENNIAL HALL
24	HAMILTON HALL
25	ROSS HALL
26	LEADER SPEECH/HEARING CENTER
27	GARAGE
28	COOPER HALL
29	DEARBORN HALL
30	EARP HALL
32	ROSE HALL
34	PRESIDENT'S RESIDENCE
35	SOX HARRISON STADIUM
41	HENDRICKS HALL
42	GHERING HEALTH & WELLNESS CENTER
43	Van HOUTEN DINING HALL
44	McCOMB FIELDHOUSE
45	MILLER HALL
46	FACULTY ANNEX
47	EARLLEY HALL
48	FRANK G. POGUE STUDENT CENTER
49	BUTTERFIELD HALL
50	DOUCETTE HALL
51	LAWRENCE TOWERS
52	McNERNEY HALL
53	BARON-FORNESS LIBRARY
54	DOWLING STABLES
55	LOVELAND ANNEX
59	REEDER HALL
61	BIGGERS HALL
62	GHERING HOUSE
64	GHERING SHED
65	GHERING GARAGE
67	GHERING COTTAGE
99	ALUMNI HOUSE
100	TAYLOR HOUSE
200	PRESIDENT'S GARAGE
M	MUSIC BUILDING
MD	MULTIPURPOSE DOME
DC	DAY CARE CENTER
H	HUMAN SERVICES BUILDING
S1	STUDENT HOUSING

Ghering Health and Wellness Center, North Elevation
Edinboro University of Pennsylvania

Ghering Health and Wellness Center, West Elevation
Edinboro University of Pennsylvania

Finance, Administration, and Facilities Committee Meeting
July 15, 2009

SUBJECT: Demolition of Sanderson and Schmidt Halls, West Chester University of Pennsylvania (INFORMATION)

UNIVERSITIES AFFECTED: West Chester University of Pennsylvania

BACKGROUND: West Chester University of Pennsylvania intends to demolish Sanderson and Schmidt Halls to make way for the next phase of student housing replacement.

These two residence halls, constructed in the early 1970s, are outdated and lack the living conditions and configurations in demand by students and parents. Sanderson Hall is a nine-story building with 94,000 gross square feet and room for 430 students. Schmidt Hall is an eight-story building with 91,000 gross square feet and room for 416 students. The University evaluated the option of renovating the facilities, but that option was not cost effective.

The University Foundation expects to complete construction of Phase 1 of the University housing renewal initiative by the fall semester of 2009. The site of Sanderson and Schmidt Halls is the intended location for Phase 2, and construction is expected to begin soon after Phase 1 is completed.

This plan is consistent with the University's Master Plan and has been approved by the University's Council of Trustees. Demolition of the buildings will require approval from the Department of General Services.

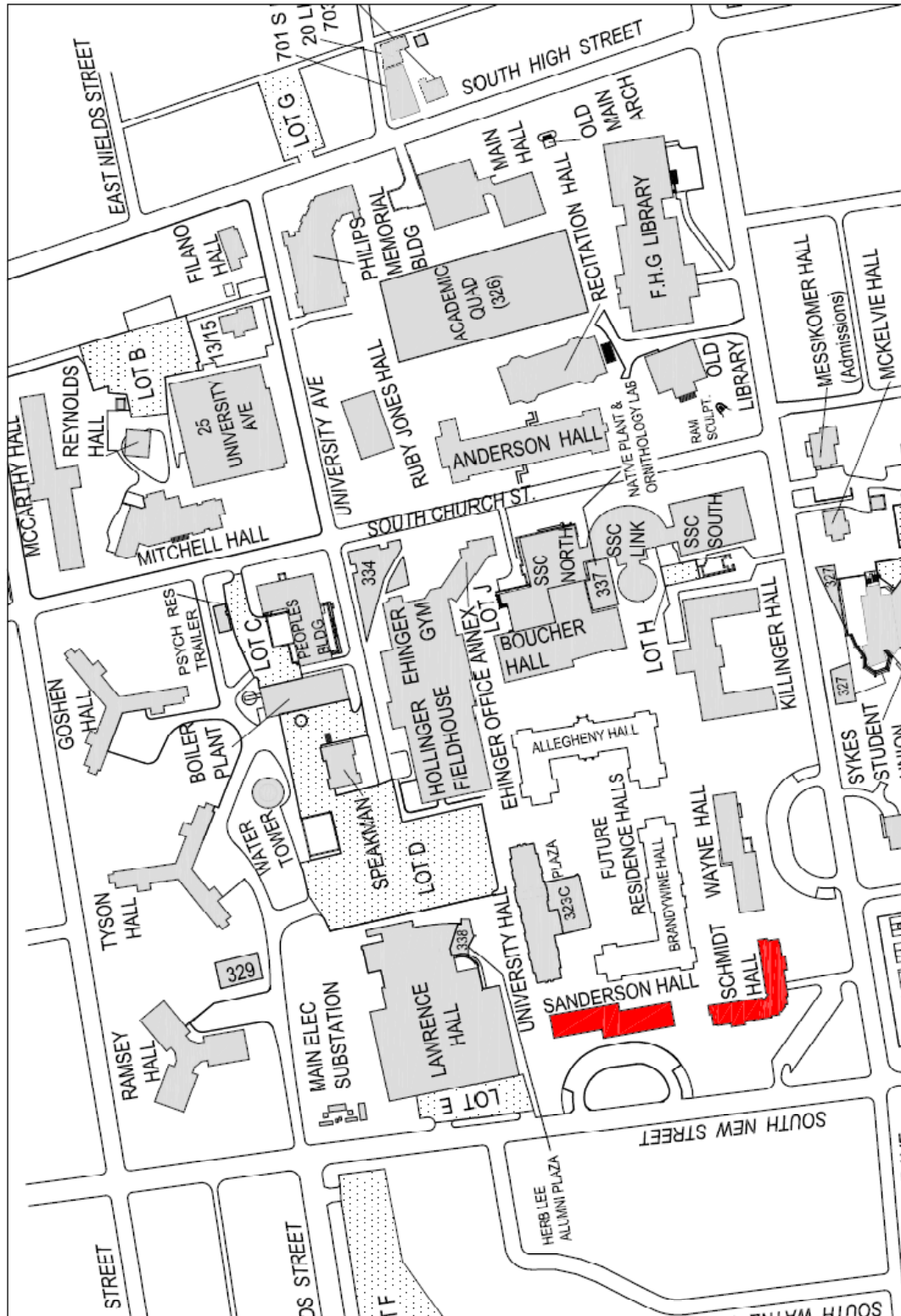**Supporting Documents Included:** Campus Map and Photos

Other Supporting Documents Available: Demolition Information

Reviewed by: West Chester University's Council of Trustees, March 26, 2009

Prepared by: James S. Dillon   **Telephone:** (717) 720-4100

Proposed Residence Halls to be Demolished:
Sanderson & Schmidt Halls

Sanderson Hall
West Chester University of Pennsylvania

Schmidt Hall
West Chester University of Pennsylvania

Pennsylvania State System of Higher Education

Human Resources Committee Meeting

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

Wednesday, July 15, 2009

Agenda

◆ ◇ ◆

Committee Members: Marie Conley Lammando (*Chair*), Aaron A. Walton and Kenneth M. Jarin *(ex officio).*

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

Human Resources Committee Meeting
July 15, 2009

SUBJECT: Social Equity-Human Resources Symposium (October 28-30, 2009) (INFORMATION)

UNIVERSITIES AFFECTED: All

BACKGROUND: In order to deliver better integrated and a consistent quality of services system-wide, a symposium for PASSHE Social Equity Officers and Human Resource Directors has been scheduled for October 28th-30th in State College. The anticipated goal of the symposium is the development of best practices between divisions as to consistency in operations and communications in shared interests of these offices. These shared interest include measures to ensure workforce diversity, continuing high standards in PASSHE's search and screen process, utilizing alternative dispute resolutions in personnel conflicts, and how to best work collaboratively in addressing administrative and legal actions.

The event is co-chaired by Melissa Bard, Director of Human Resources for the Office of the Chancellor and Jacqueline Conforti Barnett, Special Assistant to the Chancellor. The event committee includes various representative of Social Equity Directors and Human Resource Directors from PASSHE Universities.

Supporting Documents Included: N/A

Other Supporting Documents Available: N/A

Reviewed by: N/A

Prepared by: Peter H. Garland   **Telephone:** (717) 720-4010

Human Resources Committee Meeting
July 15, 2009

SUBJECT: Review of Board of Governors' Policy 2002-03, *Evaluating Presidents* (INFORMATION)

UNIVERSITIES AFFECTED: All

BACKGROUND: Critical to the success of universities is the quality of leadership. Each year, expectations for university presidents grow. As chief executives of complex organizations, the dimensions of leadership on which presidents must be evaluated continue to evolve. As a result, the Human Resources Committee with representation from University Trustees will undertake a review of Board of Governors' Policy 2002-03, *Evaluating Presidents,* and current practice, to ensure that the process is clear to all parties; that expectations and evaluation criteria are developed in conjunction with the university trustees; and that national best practices are followed.

Supporting Documents Included: N/A

Other Supporting Documents Available: Board of Governors' Policy 2002-03, *Evaluating Presidents*

Reviewed by: N/A

Prepared by: Peter H. Garland   **Telephone:** (717) 720-4010

Pennsylvania State System of Higher Education

Information Technology Committee Meeting

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

Wednesday, July 15, 2009

Agenda

◆ ◇ ◆

Committee Members: Paul S. Dlugolecki (Chair), John M. Brinjac (designee for Governor Edward Rendell), C.R. "Chuck" Pennoni and Kenneth M. Jarin (ex officio).

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

Information Technology Committee Meeting
July 15, 2009

SUBJECT: Elimination of SyTEC Governance Process (ACTION)

_____

UNIVERSITIES AFFECTED: All

BACKGROUND: Beginning in March, 2001, the Board of Governors created several structures for the management and coordination of information technology and the implementation of the SAP software. With the completion of the SAP implementation and the launch of the Student Information Systems (SIS) initiative, those governance structures are no longer necessary and are not functioning today.

The Office of the Chancellor plans to stop using the "SyTEC" and the "System Technology Consortium" names beginning in July 2009. Therefore, PASSHE recommends discontinuing the following structures and position:

- Campus Management Steering Committee
- SyTEC Executive Oversight Committee
- SyTEC Executive Board
- CEO of the State System Technology Consortium
- Other structures referenced beginning with the 2001 Board action

PASSHE has implemented revised technology governance processes for the management of the Student Information Systems project that are similar to other PASSHE management structures; therefore, Board action is not required to approve the new structure.

MOTION: That the Board of Governors discontinue the SyTEC governance structures approved by previous Board action beginning with the March, 2001 Board meeting.

_____

Supporting Documents Included: N/A

Other Supporting Documents Available: N/A

Reviewed by: N/A

Prepared by: Arthur C. Stephens   **Telephone:** (717) 720-4140

Information Technology Committee Meeting
July 15, 2009

SUBJECT: Information Technology Update (INFORMATION)

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UNIVERSITIES AFFECTED: All

BACKGROUND: An update on Information Technology will be provided.

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Supporting Documents Included: N/A

Other Supporting Documents Available: N/A

Reviewed by: N/A

Prepared by: Arthur C. Stephens   **Telephone:** 717-720-4140

Pennsylvania State System of Higher Education

Executive Committee Meeting

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

Wednesday, July 15, 2009

Agenda

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

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

Executive Committee Meeting
July 15, 2009

SUBJECT: Approval of Meeting Dates (ACTION)

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UNIVERSITIES AFFECTED: All

BACKGROUND: A calendar of Board of Governors' meeting dates through 2012 is attached. The proposed calendar includes both meeting dates and hold dates.

MOTION: That the Board of Governors approve the meeting dates and hold dates as indicated in the attached Board of Governors' Meeting Calendar.

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Supporting Documents Included: Board of Governors' Meeting Calendar

Other Supporting Documents Available: N/A

Reviewed by: N/A

Prepared by: Peter H. Garland   **Telephone:** (717) 720-4010

Pennsylvania State System of Higher Education
Board of Governors' Meeting Calendar

Unless otherwise noted, all meetings will be scheduled in the Administration Building, Dixon University Center, 2986 North Second Street, Harrisburg, Pennsylvania.

2009	Wednesday and Thursday	July 15 and 16
	Thursday	September 10*
	Wednesday and Thursday	October 7 and 8
2010	Wednesday and Thursday	January 13 and 14
	Thursday	February 11*
	Wednesday and Thursday	April 7 and 8
	Thursday	May 6*
	Thursday	June 10*
	Wednesday and Thursday	July 21 and 22
	Thursday	September 16*
	Wednesday and Thursday	October 6 and 7
2011	Wednesday and Thursday	January 12 and 13
	Thursday	February 10*
	Wednesday and Thursday	April 6 and 7
	Thursday	May 12*
	Thursday	June 16*
	Wednesday and Thursday	July 20 and 21
	Thursday	September 15*
	Wednesday and Thursday	October 5 and 6
2012	Wednesday and Thursday	January 11 and 12
	Thursday	February 9*
	Wednesday and Thursday	April 4 and 5
	Thursday	May 10*
	Thursday	June 14*
	Wednesday and Thursday	July 11 and 12
	Thursday	September 13*
	Wednesday and Thursday	October 10 and 11

*Please hold these dates in reserve for special meetings of the Board, committee meetings, conferences, or workshops.

Revised: July 16, 2009

Pennsylvania State System of Higher Education

Board of Governors

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

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

Thursday, July 16, 2009
9:00 a.m.

Agenda

Call to Order and Roll Call of the Members

Pledge of Allegiance

Approval of the Minutes of the April 2, 2009 and June 17, 2009 Meetings

Remarks of the Chair.. Chairman Kenneth M. Jarin

Report of the Chancellor .... Dr. John C. Cavanaugh

Public Comments

Committee Reports with Related Actions

A.   Academic and Student Affairs... Mr. Aaron A. Walton
    1.   Approval of a New Master of Science in Nursing Degree with a Major in
        Nursing Administration and Leadership (Online) at California University
        of Pennsylvania
    2.   Approval of a New Master of Science in Nursing (BSN) Degree with a Major
        In Nursing (Online) at Lock Haven University of Pennsylvania
    3.   Approval of a New Bachelor of Arts Degree with a Major in Liberal Studies
        at Cheyney University of Pennsylvania

4. Approval of a New Master of Science Degree with a Major in Information Security (Online) at East Stroudsburg University of Pennsylvania
5. Summary of Academic Program Actions for the 2008-09 Academic Year

B. **Advancement** .... Chairman Kenneth M. Jarin
   1. Governmental Relations Update
   2. Budget Update

C. **Audit** ....Mr. Guido M. Pichini
   1. Revisions to Board of Governors' Policy 1991-06-A, *State System Audit Policy*
   2. Office of Internal Audit and Risk Assessment 2009-10 Annual Work Plan
   3. Office of Internal Audit and Risk Assessment 2009-10 Annual Budget and Staffing Level
   4. Appoint Departmental Leadership to the Office of Internal Audit and Risk Assessment
   5. 2008-09 Annual Report – Internal Review Group

D. **Finance, Administration, and Facilities**............................. Mr. C.R. "Chuck" Pennoni
   1. Fiscal Year 2009/10 Operating Budget Update
   2. Fiscal Year 2009/10 Program Initiatives Line Item Allocation
   3. Fiscal Year 2009/10 Educational and General Appropriation Allocation
   4. Fiscal Year 2009/10 Tuition and Technology Tuition Fee Rates
   5. Fiscal Year 2009/10 Capital Spending Plan and Capital Budget Authorization Request
   6. Property Acquisition, California University of Pennsylvania
   7. Demolition of Ghering Health and Wellness Center, Edinboro University of Pennsylvania
   8. Demolition of Sanderson and Schmidt Halls, West Chester University of Pennsylvania

E. **Human Resources** .... Ms. Marie Conley Lammando
   1. Social Equity-Human Resources Symposium (October 28-30, 2009)
   2. Review of Board of Governors' Policy 2002-03, *Evaluating Presidents*

F. **Information Technology**..Mr. Paul S. Dlugolecki
   1. SyTEC Governance Changes
   2. General Information Technology Update

G. **Executive** .... Chairman Kenneth M. Jarin
   Approval of Meeting Dates

Board Action .... Chairman Kenneth M. Jarin
  1. Election of Board Officers
  2. Resolutions
      • Daniel P. Elby
      • Kim E. Lyttle

Other Business.. Chairman Kenneth M. Jarin

Announcements

Adjournment

◆   ◇   ◆

Board Members: Kenneth M. Jarin (*Chair*), Representative Matthew E. Baker, John M. Brinjac (designee for Governor Edward G. Rendell), Marie Conley Lammando, Donna Cooper (designee for Secretary Gerald L. Zahorchak), Paul S. Dlugolecki, Representative Michael K. Hanna, Senator Vincent J. Hughes, Ryan R. Jerico, Richard Kneedler, Joseph F. McGinn, C.R. "Chuck" Pennoni (*Vice Chair*), Senator Jeffrey E. Piccola, Guido M. Pichini, Governor Edward G. Rendell, Harold C. Shields, Thomas M. Sweitzer, Christine J. Toretti, Aaron A. Walton (*Vice Chair*) and Secretary Gerald L. Zahorchak

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

Board of Governors Meeting
July 16, 2009

SUBJECT: Election of Board Officers (ACTION)

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UNIVERSITIES AFFECTED: All

BACKGROUND: The Nominating Committee will offer a slate for Board Officers.

MOTION: That the Board of Governors approve the Nominating Committee's recommendation of Board Officers.

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Supporting Documents Included: N/A

Other Supporting Documents Available: N/A

Reviewed by: N/A

Prepared by: Peter H. Garland   **Telephone:** (717) 720-4010

The following pages were added or revised to the July 15-16, 2009 Board Agenda

Added - Standing Committee Assignments (pages 1, 2 and 3)

Added - Academic and Student Affairs – Item #6 (pages 1, 2 and 3)

Revised – Audit Committee – Item #1 (pages 40A, 41A, 42A, 43A, 44A and 45A)

Revised – Finance, Administration and Facilities – Item #2 (pages 61A, 62A and 63A)

Revised – Finance, Administration and Facilities – Item #3 (page 64A)

Added – Board Item #2 (page 97-1)

Pennsylvania State System of Higher Education

Board of Governors

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

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

Wednesday, July 15, 2009
1:30 p.m.

Agenda

Call to Order and Roll Call of the Members

Action Item

- Approval of Board Committees

Adjourn

◆ ◆ ◆

Board Members: Kenneth M. Jarin (*Chair*), Representative Matthew E. Baker, John M. Brinjac (designee for Governor Edward G. Rendell), Marie Conley Lammando, Donna Cooper (designee for Secretary Gerald L. Zahorchak), Paul S. Dlugolecki, Representative Michael K. Hanna, Senator Vincent J. Hughes, Ryan R. Jerico, Richard Kneedler, Joseph F. McGinn, C.R. "Chuck" Pennoni (*Vice Chair*), Senator Jeffrey E. Piccola, Guido M. Pichini, Governor Edward G. Rendell, Harold C. Shields, Thomas M. Sweitzer, Christine J. Toretti, Aaron A. Walton (*Vice Chair*) and Secretary Gerald L. Zahorchak

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

Board of Governors' Meeting
July 15, 2009

SUBJECT: Standing Committee Assignments (ACTION)

───

UNIVERSITIES AFFECTED: All

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

MOTION: That the Board of Governors approve the Standing Committee Assignments as shown in the *Standing Committee Assignments* document distributed at the Quarterly Board meeting, effective July 15, 2009.

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Supporting Documents Included: N/A

Other Supporting Documents Available: *Standing Committee Assignments*

Reviewed by: N/A

Prepared by: Peter H. Garland   **Telephone:** (717) 720-4010

STANDING COMMITTEE ASSIGNMENTS

Academic and Student Affairs

Walton, Aaron A. *(Chair)*
Baker, Representative Matthew E.
Cooper, Donna *(Designee for Secretary Gerald L. Zahorchak).*
Kneedler, Richard
Piccola, Senator Jeffrey E.
Zahorchak, Secretary Gerald L.
Jarin, Kenneth M. *(ex officio)*

Advancement

Sweitzer, Thomas M. "Doc" *(Chair)*
Conley Lammando, Marie
Hughes, Senator Vincent J.
Jerico, Ryan R.
McGinn, Joseph F.
Jarin, Kenneth M. *(ex officio)*

Audit

Pichini, Guido M. *(Chair)*
Dlugolecki, Paul S.
Kneedler, Richard
Pennoni, C.R. "Chuck"
Toretti, Christine
Jarin, Kenneth M. *(ex officio)*

Executive

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

Finance, Administration, and Facilities

Pennoni, C.R. "Chuck" *(Chair)*
Brinjac, John M. *(Designee for Gov. Edward Rendell)*
Cooper, Donna *(Designee for Secretary Gerald L. Zahorchak)*
Hanna, Representative Michael K.
Hughes, Senator Vincent J.
Pichini, Guido M.
Shields, Harold C.
Jarin, Kenneth M. *(ex officio)*

Human Resources

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

Information Technology

Dlugolecki, Paul S. *(Chair)*
Brinjac, John M. *(Designee for Gov. Edward Rendell)*
Pennoni, C.R. "Chuck"
Jarin, Kenneth M. *(ex officio)*

Updated: July 15, 2009

Academic and Student Affairs Committee Meeting
July 15, 2009

SUBJECT: Request for Exceptions to the 120-Credit Requirement in Board of Governors' Policy 1990-06-A: *Academic Degrees* (ACTION)

──

UNIVERSITIES AFFECTED: All

BACKGROUND: Board of Governors' Policy 1990-06-A: *Academic Degrees*, requires baccalaureate degrees to be 120 semester credit hours unless (1) otherwise required by statute, regulation, or accreditation, and (2) approved by the Board of Governors, upon recommendation of the Chancellor. In April 2007, System-wide exceptions and individual university exceptions to the 120-credit requirement were approved through spring 2009.

It is recommended that System-wide and individual university exceptions be extended for the programs listed on the attached document through spring 2011.

MOTION: That the Board of Governors approve continuation, through spring 2011, of the exceptions for the programs listed on the attached document, *Exceptions to the 120-Credit Requirement*, dated July 15, 2009.

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Supporting Documents Included: Exceptions to the 120-Credit Requirement in Board of Governors' Policy 1990-06-A, dated July 15, 2009.

Other Supporting Documents Available: Board of Governors' approved exceptions April 2002, October 2002, January 2003, January 2005, April 2007 and requests for exceptions submitted by universities and documentation of accreditation standards.

Reviewed by: N/A

Prepared by: James D. Moran   **Telephone:** 717-720-4200

Exceptions to the 120-Credit Requirement
in Board of Governors' Policy 1990-06A
(July 15, 2009)

Selected System-wide baccalaureate degree programs will be granted an exception to the 120-credit maximum requirement because of extensive regulatory and accreditation requirements currently in place.

Education

The following programs will be permitted graduation credit totals not to exceed 123 credits through spring 2011, at which time the exceptions will be reviewed:

- Communications (7-12)
- Cooperative Education (7-12)
- Environmental Education (PreK-12)
- Family-Consumer Science (PreK-12)
- Health (PreK-12)
- Hearing Impaired (PreK-12)
- Language (PreK-12)
    - English
    - French
    - German
    - Latin
    - Russian
    - Spanish
- Library Science (PreK-12)
- Social Sciences (7-12)
- Social Studies (7-12)
- Upper Elementary/Middle Level (Grades 4-8) Education

The following programs will be permitted graduation credit totals not to exceed 129 credits through spring 2011, at which time the exceptions will be reviewed:

- Art (PreK-12)
- Business-Computer-Information Technology (PreK-12)
- Citizenship (7-12)
- Health and Physical Education (Pre-K-12)
- Mathematics (7-12)
- Music (PreK-12)

- Science (7-12)
  - Biology
  - Chemistry
  - Earth and Space
  - General Science
  - Physics
- Technology Education (PreK-12)

The following programs will be permitted graduation credit totals not to exceed 135 credits through spring 2011, at which time the exceptions will be reviewed:

- Special Education/PreK-4 Dual Certification
- Special Education/Upper Elementary/Middle Level (4-8) Dual Certification

Other

The following programs will be permitted graduation credit totals not to exceed 123 credits through spring 2011, at which time the exceptions will be reviewed:

- Music
- Music Performance
- Music Therapy
- Music w/ Elective Studies in Business

Due to specific accreditation requirements, the following programs will be permitted graduation credit totals not to exceed 124 credits through spring 2011, at which time the exceptions will be reviewed:

Bloomsburg
- B.S. Electrical and Electronics Engineering Technology

California
- B.S. Electrical Engineering Technology
- B.S. Computer Engineering Technology

The following programs will be permitted graduation credit totals not to exceed 126 credits through spring 2011, at which time the exceptions will be reviewed:

- Respiratory Therapy

Audit Committee Meeting
July 15, 2009

SUBJECT: Revisions to Board of Governors Policy 1991-06-A, *State System Audit Policy* *(Action)*

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UNIVERSITIES AFFECTED: All

BACKGROUND:
The need was acknowledged to develop a formalized process for assessing and managing risk within our organization. This will be accomplished by realigning PASSHE's internal audit function to provide a cohesive organizational structure responsible for facilitating risk assessment activities and, in turn, structuring a prioritized internal audit plan based on recognized levels of risk exposure and possible resulting liabilities.

The risk assessment process is intended to be a collaborative venture between the office of internal audit and risk assessment, PASSHE universities and the Office of the Chancellor. University presidents and the Chancellor will play an active role in consideration of risk analysis outcomes and consideration of identified areas to be included in the office of internal audit and risk assessment's annual work plan.

Outcomes will provide an enhanced understanding of risk factors and internal control weaknesses along with their potential impact on operations. Through audit analysis, recommendations will be structured to mitigate risk exposure with reporting to the Audit Committee of the Board of Governors, Chancellor, University Presidents and local University Council of Trustees.

To reflect enhancements to the organizational structure, changes are necessary to Board Policy 1991-06-A, *State System Audit Policy*, pertaining to inclusion of the risk assessment process, organizational structure, funding, reporting outcomes and departmental naming of PASSHE's internal audit operation.

MOTION: That the Board of Governors approve the changes to Board of Governors Policy 1991-06-A, *State System Audit Policy*.

───
Supporting Documents Included: Board of Governors Policy 1991-06-A, *State System Audit Policy*

Other Supporting Documents Available: N/A

Reviewed by: Audit Committee

Prepared by: Dean A. Weber   Telephone: (717) 720-4243

PA State System of Higher Education
Board of Governors

POLICY 1991-06-A: STATE SYSTEM AUDIT POLICY

See Also: **Adopted**: October 17, 1991
                                       Amended: July 12, 2001
                                   Amended: October 12, 2006
                                   <u>Amended: July 16, 2009</u>

I. Audit Committee

A. Purpose

The primary mission of the Audit 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 Committee shall be to support and oversee the activities of the <u>office of internal audit and risk assessment</u> ~~internal review group~~, maximizing the function's operations and value across the State System.

B. Organization

The Audit Committee shall be a permanent committee consisting of six 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 and director of the <u>office of</u> internal <u>audit and risk assessment</u> ~~review group~~ shall serve as staff to the Audit Committee.

C. Policy

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

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

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

3. 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.

5. Providing a direct channel of communications to the Board of Governors for the System's independent public accounting firm and office of internal audit and risk assessment review group.

D. Procedures

Specific duties of the Audit Committee shall include the following:

1. Approve the appointment of the director of the office of internal audit and risk assessment review group, and the department's annual budget and staffing.

2. Review and approve the scope of the office of internal audit and risk assessment's review group's annual work plan.

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

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

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

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

   c. 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 review group, without other System management personnel present; and

   d. 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.

Board of Governors' Meeting Agenda – 42-A

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

II.   **Office of** Internal **Audit and Risk Assessment** ~~Review Group~~

A.   **Purpose**

To provide policy for establishment and support of a System internal audit and risk assessment ~~review~~ function. In carrying out their duties and responsibilities, members of the office of internal audit and risk assessment ~~review group~~ 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.

B.   **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 review group 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. Act as liaison to the Department of the Auditor General and Office of Inspector General on System matters related to inquiries, referrals, and investigations.

C. 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 review group. The director of the office of internal audit and risk assessment review group shall report functionally to the Audit Committee of the Board of Governors and administratively to the System's Chancellor chief counsel.

2. The office of internal audit and risk assessment ~~review group~~ shall serve as in-house management consultants to the System. University presidents and the chancellor may request assistance from the department ~~internal review group~~ 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.

3. A committee comprised of the System's chief counsel, *Chancellor,* director of internal audit and risk assessment ~~review~~, and appropriate vice chancellor shall review and approve requests for assistance to conduct special reviews and investigations.

4. The office of internal audit and risk assessment ~~review group~~ shall follow the System's administrative directive 1991-06.01, *Procedures for Conducting Investigations*, when assisting the Audit Committee, universities, and the Office of the Chancellor in conducting investigations.

5. The office of internal audit and risk assessment's ~~review group'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. ~~allocated to the universities and the Office of the Chancellor based on their pro rata share of educational and general expenses.~~

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

7. University presidents and the chancellor may be requested to supplement the office of internal audit and risk assessment ~~review group~~ staffing with personnel who have special skills or training. This suggested "consultant" approach will help to minimize the permanent staffing of the ~~internal~~ department ~~review group~~.

8. ~~University presidents shall designate a campus representative as liaison to the internal review group. The individual appointed shall be the university's internal auditor or another representative. As stated in Board of Governors' Policy 1986-01: *Audit*, "The establishment of an independent internal audit function at each university shall be advocated and respected as a responsible management practice."~~

~~9.~~ 8. All completed reviews, special projects, and investigations conducted by the office of internal audit and risk assessment ~~review group~~ shall be made available to the Audit Committee, Chancellor, and to the local University Council of Trustees for issues applicable to their institution.

Finance, Administration, and Facilities Committee Meeting
July 15, 2009

SUBJECT: Fiscal Year 2009/10 Program Initiatives Line Item Allocation (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: At its October 2008 meeting, the Board of Governors approved line item requests, including a $22,538,000 line item for Program Initiatives. The Commonwealth budget appropriated $XX,XXX,XXX for this line item. The Program Initiatives line item components are summarized below, reflecting the amount allocated by the Board to each of these initiatives in 2008/09 and both the requested and recommended amounts for 2009/10.

	2008/09 Allocation	2009/10 Initial Request	2009/10 Recommendation
Performance Funding	$9,970,000	$10,538,000	TBD
Information Technology	$5,000,000	$5,000,000	TBD
Economic Development	$1,868,000	$5,000,000	TBD
Educator Excellence	$1,210,000	$2,000,000	TBD
Cheyney Revitalization	$500,000	$0	TBD

The attachment provides an explanation of each of these items.

MOTION: That the Board of Governors:
1. Delegate the allocation of funds for the initiatives on the attached document from PASSHE'S fiscal year 2009/10 Program Initiatives line item to the Executive Committee of the Board of Governors after the Commonwealth's budget has been finalized; and
2. *Delegate to the Chancellor the ability to make allocation decisions in* the interim to maintain the continuity of programs.

Supporting Documents Included: Allocation of the Fiscal Year 2009/10 Program Initiatives Line Item

Other Supporting Documents Available: Fiscal Year 2009/10 Appropriations Request; October 15–16, 2008, meeting materials; February 4, 2009, conference call materials; Commonwealth's 2009/10 Budget

Reviewed by: Council of Presidents, June 10, 2009

Prepared by: James S. Dillon   **Telephone:** (717) 720-4100

Pennsylvania State System of Higher Education
Allocation of the Fiscal Year 2009/10 Program Initiatives Line Item

Performance Funding.. <mark>TBD</mark>

The Board of Governors has recognized performance at PASSHE Universities for the last seven years through the Performance Funding Program. In 2008/09, the program was funded with $29.9 million from the E&G appropriation and $10.0 million from the Program Initiatives line item, for a total of $39.9 million, equivalent to 8% of the E&G appropriation. At its October 2008 meeting, the Board of Governors approved continuing performance funding at this level in 2009/10, partially through the use of this line item.

Information Technology .... <mark>TBD</mark>

PASSHE continues to enhance the System-wide integrated administrative system that is used to maximize efficiency of administrative processing (i.e., procurement, budget, accounting, human resources management, and payroll) and to support decision support requirements at all 14 Universities and the Office of the Chancellor. The resulting data from administrative processes are used with a robust data warehouse system for PASSHE and University reporting and data analysis. Continued funding for this project is necessary to support implementation of additional functionality, upgrades to the administrative application and required hardware, and disaster recovery.

Economic and Workforce Development.. <mark>TBD</mark>

PASSHE Universities are key partners for state and regional economic development. Their mission-based contribution to economic and workforce development is increasing human capital for tangible productivity and income benefits, creating intellectual wealth for commercialization potential. Continuation of funding for the economic and workforce development initiatives will enhance PASSHE's partnerships with state and local communities to increase economic and workforce development throughout the regions of the Commonwealth.

Funding has been used to support the expansion of student internships and the development of Entrepreneurial Leadership Centers and university business infrastructure.

Educator Excellence.. <mark>TBD</mark>

The Educator Excellence component of the Program Initiatives line item will build upon the strengths of PASSHE Universities and the Pennsylvania Academy for the Profession of Teaching and Learning. This funding will support efforts to improve the quality of teachers, school administrators, and programs designed to improve education at all levels. Among the activities that have been funded are: (1) enhancing the quality of preparation for PK-8 educators; (2) improving preparation of education students for the PRAXIS test; (3) increasing the number of qualified teachers and other professionals for urban school districts; (4) increasing the number and quality of science and mathematics teachers; (5) enhancing the skills of current teachers and administrators through professional development; and (6) increasing the diversity of the teacher work force.

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Cheyney Revitalization.. <mark>TBD</mark>

Funding is sought to assist in Cheyney University of Pennsylvania's revitalization efforts in various areas that will, in turn, increase the enrollment at the University and continue the rich legacy that has been created there.

Finance, Administration, and Facilities Committee Meeting
July 15, 2009

SUBJECT: Fiscal Year 2009/10 Educational and General Appropriation Allocation (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: Board of Governors' Policy 1984-06-A: *Allocation Formula*, specifies the method by which the Educational and General (E&G) appropriation is allocated annually to the Universities for their basic funding requirements. To determine the amount of the fiscal year 2009/10 E&G appropriation that is to be distributed to the Universities through the allocation formula, certain items of System-wide significance must first be funded. These items and their recommended fiscal year 2009/10 funding levels are described in Attachment 1.

MOTION: That the Board of Governors:
1. Delegate the allocation of the E&G appropriation to the Executive Committee of the Board of Governors after the Commonwealth's budget has been finalized; and
2. Delegate to the Chancellor the ability to make allocation decisions in the interim to maintain the continuity of operations.

Supporting Documents Included: Funding of System-Wide Initiatives from the Fiscal Year 2009/10 E&G Appropriation (Attachment 1); Report of Expenditures from the System Reserve (Attachment 2)

Other Supporting Documents Available: Fiscal Year 2009/10 Appropriations Request; October 22–23, 2008, meeting materials; Commonwealth's 2009/10 Budget; Board of Governors' Policy 1984-06-A: *Allocation Formula*

Reviewed by: Council of Presidents, June 10, 2009

Prepared by: James S. Dillon   **Telephone:** (717) 720-4100

Board of Governors Meeting
July 16, 2009

SUBJECT: Contract Extension of the Chancellor (ACTION)

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UNIVERSITIES AFFECTED: All

BACKGROUND: On behalf of the Board of Governors, Chairman Jarin extends the contract of the Chancellor to June 30, 2012. The other terms and conditions of his contract will remain in force and effect through the contract period unless modified in writing.

MOTION: That the Board of Governors approve the contract extension of John C. Cavanaugh as Chancellor of the Pennsylvania State System of Higher Education to June 30, 2012 and authorizes the Chairman to execute the necessary documents.

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Supporting Documents Included: N/A

Other Supporting Documents Available: N/A

Reviewed by: N/A

Prepared by: Peter H. Garland   **Telephone:** (717) 720-4010