



# Board of Governors Meeting

**October 14-15, 2020**

The meeting will be webcast online at [www.passhe.edu](http://www.passhe.edu).  
Members of the public who wish to speak during the public comment period should dial 1-717-839-2360 no later than 2:00 p.m.

## Wednesday, October 14, 2020

**2:00 p.m.**

1. Roll Call
2. Chairwoman's Remarks
3. Public Comment
4. Remarks by Union Leaders
5. Update from PACT President
6. Consent Agenda (action)  
*These items will be considered in one motion unless a member wishes to have an item removed for individual discussion*
  - a. Meeting Minutes - Page 4
  - b. Meeting Calendar Through 2023 - Page 13
7. System Redesign — Institutional Integrations
  - a. Update on Financial Review; Next Steps (action) - Page 14
  - b. Act 50 Implementation Policy (action) - Page 15
8. University Success Committee
  - a. 2021-22 Appropriations Request (action) - Page 20
  - b. Five-year Capital Plan (action) - Page 34
9. Board Consideration
  - a. Approval of Committee Actions
  - b. Ratification of SPFPA MOU (action) - Page 37
  - c. Affirmation of University Operational Framework (action) - Page 39
  - d. Update on System Financial Audit (information)

*Board stands in recess until tomorrow*



## Thursday, October 15, 2020

### 9:00 a.m. Board of Governors Meeting (continued)

Reconvene (roll call)

10. Governance and Leadership Committee
  - a. Student Trustee Appointment (action) - Page 45
11. Board Consideration
  - a. Faculty Shared Governance Commission Recommendations (action) - Page 48
  - b. Preliminary Strategy for Diversity, Equity, and Inclusion (information) - Page 55
  - c. Approval of Committee Actions
12. New Business
13. Adjournment

### Executive Session (non-public session)

Board Members and Chancellor Only

# **CONSENT AGENDA ITEMS**

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

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

**Meeting Minutes  
Draft for Approval**

276th Meeting  
Thursday, July 16, 2020  
Via Zoom  
9:00 a.m.

**ATTENDING**

**Board of Governors:**

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

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

Audrey F. Bronson, Marian Moskowitz, and Secretary of Education Pedro A. Rivera were absent.

Chairwoman Shapira called the meeting to order at 9:02 a.m.

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

**OPENING REMARKS**

- Chairwoman Shapira provided opening remarks and introduced newly appointed student Board member, Stephen Washington, from Shippensburg University, who thanked everyone for the opportunity to serve.

- Chairwoman Shapira commented on the outstanding work the universities are doing as preparations for the fall semester are under way in the midst of the pandemic. The System has the full support of the Board and stands ready to assist the students to succeed in meeting their goals.
- As a follow up to the June Board of Governors meeting, Chairwoman Shapira again noted the importance of the work the State System is doing to bring diversity, equity and inclusion to the forefront, which is embedded in our mission and System Redesign. Dr. Denise Pearson, Vice Chancellor and Chief Diversity, Equity and Inclusion Officer, was introduced and offered a few remarks on her role at the System level and commented on the strategies that are already underway at the universities.
- Chancellor Dan Greenstein reiterated Chairwoman Shapira's comments regarding the need for a system approach to diversity, equity, and inclusion.
- Chairwoman Shapira thanked the former Foundation President, Ms. Jennifer Hartman, for her efforts over the past years and welcomed the new President, Ms. Cynthia Pritchard, a former graduate of Mansfield University.
- Chairwoman Shapira thanked all those who had a hand in drafting and supporting the ultimate passage of Act 50, which was recently signed by the Governor. This is the most far-reaching and formative update to System legislation since its founding in 1984. These changes will help strengthen institutions and ensure that the State System has open doors for students throughout the Commonwealth, which is the main focus and goal of the System redesign and the goal of this legislation.

Chairwoman Shapira reported that the Board met in executive session/workshop mode Wednesday, July 15, 2020 from 1:00 p.m. - 3:50 p.m.

### **PUBLIC COMMENTS**

Two individuals from the public were on the line, however, offered no comments.

### **REMARKS BY UNION LEADERS**

Remarks by SCUPA President - Ms. Sheleta Camarda-Webb

Remarks by APSCUF President - Dr. Jamie Martin

### **UPDATE FROM PACT PRESIDENT**

Mr. Jack Wabby, newly elected PACT President, offered remarks about PACT's continued support to the System and university students.

## **APPROVAL OF CONSENT AGENDA**

Chairwoman Shapira moved that the Consent Agenda be approved as follows:

- a. April 29, 2020 Board of Governors Meeting Minutes  
June 10, 2020 Board of Governors Meeting Minutes
- b. Board of Governors Committee Assignments
- c. Financial Sustainability – loan covenants update

Voice Vote. The motion passed unanimously.

## **CHANCELLOR GREENSTEIN REMARKS**

- Chancellor Greenstein offered remarks regarding the many years of service by the respective individuals who received resolutions. Their passion for the students and system had a profound impact on him as the new Chancellor, and all have been great partners and mentors these past few years.
- Chancellor Greenstein thanked presidents and leadership teams publicly for all their work during these challenging times, not just with COVID and the fall reopening, but given the overall challenges higher education faces. They have spent countless hours discussing how to best manage the communities they serve.
- The Chancellor commented on the fall semester plans to reopen and the many challenges that the universities are facing, including the management of sports on the campuses.

## **FACULTY SHARED GOVERNANCE COMMISSION UPDATE**

Governor Don Houser, Chair of the Faculty Shared Governance Commission, provided an update on the Commission's work to-date.

Governor Houser reviewed the Commissions' timeline of work and progress to-date, which can be found on the System's website, [www.passhe.edu/SharedGovernance](http://www.passhe.edu/SharedGovernance).

Next steps for the Commission will be to gather feedback on the draft recommendations that are out for review. The timeline was adjusted due to COVID and operational impacts at the universities, but the Commission is close to providing a draft recommendations for the Board's consideration at the October 2020 meeting.

Governor Houser thanked the Commission members for their efforts and their hard work during this challenging time.

## BOARD ACTION ITEMS

After a brief break, the meeting resumed at 10:42 a.m.

Chancellor Greenstein reviewed the direction and timeline for System Redesign, as presented in the Board agenda and shared PowerPoint. Final recommendations to the Board for consideration as outlined in the attached Board materials:

1. Conduct financial stability review focusing on three combinations of potential university integrations.
2. Assume for the review that each integration entails:
  - One leadership team
  - A single faculty and staff
  - A single program array
  - A unified enrollment management strategy
  - A single, combined budget
  - One reporting relationship through the Chancellor to the Board
3. Be open to analysis leading to different integration models/approaches and/or allow for different university combinations.
4. Focus on three university combinations:
  - California and Clarion
  - Edinboro and Slippery Rock
  - Lock Haven and Mansfield
5. Include in the review key components:
  - Implementation costs and funding sources
  - High-level governance model and accreditation issues
  - Financial and administrative opportunities and financial impacts
  - High-level recommendation to achieve financial sustainability
  - Establishment of a collaborative consultation process for planning and implementation
6. Undertake policy and procedure reviews as may be required:
  - Financial (including appropriations formula), academic, student, personnel
7. Ensure continuity of key system redesign activities:
  - Implementation of v2 sustainability plans
  - Shared Services Development and IT governance
  - Academic Master Planning
  - Infrastructure supporting Student Portability (e.g., OneSIS)

Chairwoman Shapira moved **THAT THE BOARD APPROVES THE AFFIRMATION OF DIRECTION FOR SYSTEM REDESIGN AND ENDORSE THE SEVEN RECOMEMNDATIONS AS PRESENTED BY THE CHANCELLOR.**

Voice Vote. The motion passed unanimously. No opposition.

Ms. Sharon Minnich, Vice Chancellor, Administration and Finance, provided an overview of the Fiscal Year 2020-21 Educational and General Appropriation Allocation, as outlined in revised Item #9b, Attachments 1 and 2 of the Board agenda materials.

Chairwoman Shapira moved **THAT THE BOARD APPROVES THE ALLOCATION OF FUNDS FROM THE SYSTEM'S FISCAL YEAR 2020-21 EDUCATIONAL AND GENERAL APPROPRIATION, AS REFLECTED IN THE REVISED ITEM #9B, ATTACHMENT 1.**

Roll Call Vote. Motion Passed. Representative Brad Roae opposed.

## **ELECTION OF OFFICERS**

Governor Don Houser moderated this portion of the meeting for the election of officers as outlined in the Board of Governors bylaws, which calls for the annual election of officers at the third quarterly meeting of each calendar year. Governor Houser moved **THAT THE OFFICERS FOR THE BOARD OF GOVERNORS FOR THE 2020-21 YEAR BE AS FOLLOWS:**

**CHAIR: CYNTHIA SHAPIRA**

**1<sup>ST</sup> VICE CHAIR: DAVID MASER**

**2<sup>ND</sup> VICE CHAIR: SAM SMITH**

Hearing no other motions for officers, a voice vote was conducted. The motion passed.

## **NEW BUSINESS**

### **RESOLUTIONS**

Resolutions were presented to the following individuals:

- Chairwoman Shapira virtually presented a resolution to Ms. Camarda-Webb thanking her for many contributions to the SCUPA Union, the State System, and students of the California University of Pennsylvania.
- Chairwoman Shapira virtually presented a resolution to Dr. Kenn Mash, recognizing his decade of senior leadership to the System, Faculty and students as APSCUF's President and Vice President over the years.
- Chairwoman Shapira virtually presented a resolution to Mr. Jeff Smith, former PACT President, for his leadership and guidance these past two years.
- Chairwoman Shapira virtually presented a resolution to retiring President Marcia Welsh of East Stroudsburg University, recognizing her many years of dedicated service to the East Stroudsburg University, its students and the System since 2012, and as its 13<sup>th</sup> president and first female president of the University. Dr. Driscoll, President of Indiana University and Chair of the Commission of Presidents, offered comments on behalf of the system presidents.
- Chairwoman Shapira virtually presented a resolution to Mr. Aven Bittinger, recognizing his term as a Student Board Member since 2019 and involvement with not only the Board of Governors, but many contributions on the Shippensburg campus. President Carter offered comments on Aven's accomplishments as a student leader on the campus of Shippensburg University.



Chairwoman Shapira moved **THAT BY ACCLAMATION THE BOARD ACCEPTS ALL THE RESOLUTIONS READ TODAY IN HONOR OF THOSE WHO HAVE SERVED THE STATE SYSTEM.**

Motion passed by acclamation.

### **ADJOURNMENT**

There being no further items of business to come before the Board, Chairwoman Shapira adjourned the meeting at 12:27 p.m.

### **EXECUTIVE SESSION**

The Board of Governors met in Executive Session from 12:45 p.m. to 1:14 p.m. following the Board meeting to discuss items related to personnel, litigation and other legal matters.

### **ATTEST:**

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

The meeting webcast is available here: [https://www.youtube.com/watch?v=ZbqeP\\_JrdR8](https://www.youtube.com/watch?v=ZbqeP_JrdR8)

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

**Meeting Minutes  
Draft for Approval**

277th Meeting  
Thursday, August 13, 2020

Via Zoom

10:00 a.m.

**ATTENDING**

**Board of Governors:**

Representative Timothy P. Briggs  
Alexander H. Fefolt  
Donald E. Houser, Jr.  
David M. Maser (Vice Chair)  
Thomas S. Muller (Vice Chair)  
Noe Ortega (designee for Secretary Rivera)  
Representative Brad Roae  
Senator Judith L. Schwank  
Cynthia D. Shapira (Chair)  
Samuel Smith (Vice Chair)  
Secretary Meg Snead  
Stephen L. Washington, Jr.  
Neil R. Weaver

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

Audrey F. Bronson, Nicole L. Dunlop, Marian Moskowitz, Senator Scott Martin, Janet Yeomans, and Secretary of Education Pedro A. Rivera were absent.

Chairwoman Shapira called the meeting to order at 10:03 a.m.

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

**OPENING REMARKS**

Chairwoman Shapira recognized the accomplishments of Secretary Pedro Rivera on the Board, who will be stepping down in the next month to take another position, and congratulated Mr. Noe Ortega, who was nominated by Governor Wolf to replace Dr. Rivera as Secretary of Education.

The Board held a workshop on July 15 and will meet briefly in executive session at the end of this meeting.

## **PUBLIC COMMENT**

No comments.

## **REMARKS BY UNION LEADERS**

APSCUF President - Dr. Jamie Martin

SCUPA President – Dr. Todd Spaulding

## **BOARD ACTION ITEMS**

- a. Sexual Misconduct Policy 2020-01. This policy was reviewed by Andrew Lehman, Chief Counsel and Suzanne Williamson, University Counsel.  
Chairwoman Shapira **MOVED THAT THE BOARD APPROVES THE SEXUAL MISCONDUCT POLICY EFFECTIVE AUGUST 14, 2020.**  
Voice vote. The motion passed unanimously.
- b. Amorous Relationships Policy 2020-02. This policy was reviewed by Chief Counsel Andrew Lehman and Suzanne Williamson, University Counsel. The policy was developed by a sub-committee of the Commission of Presidents. The Presidents recommends approval of the policy. For clarification, this policy is separate and distinct from policies on minors.  
Chairwoman Shapira **MOVED THAT THE BOARD APPROVES THE AMAROUS RELATIONSHIPS POLICY EFFECTIVE AUGUST 14, 2020.**  
Voice vote. The motion passed unanimously.
- c. Authorization for Disposition of the Dixon University Center. Sharon Minnich, Vice Chancellor for Administration and Finance, reviewed the item in detail as presented in the Board materials.  
Chairwoman Shapira **MOVED THAT THE BOARD APPROVES THE OFFICE OF THE CHANCELLOR'S REQUEST TO PROCEED WITH THE DISPOSITION OF PROPERTY KNOWN AS THE DIXON UNIVERSITY CENTER THROUGH LEASE OR SALE.**  
Voice vote. The motion passed unanimously.
- d. Authorization for Disposition of Porreco facility at Edinboro University. Ms. Sharon Minnich, Vice Chancellor for Administration and Finance, reviewed the item in detail as presented in the Board materials.

**Chairwoman Shapira MOVED THAT THE BOARD APPROVES EDINBORO UNIVERSITY'S REQUEST TO PROCEED WITH THE DISPOSITION OF THE PROPERTY AT 2951 WEST 38<sup>TH</sup> STREET, MILLCREEK TOWNSHIP AND RESULTING PROCEEDS REMAIN WITH THE UNIVERSITY.**

Voice vote. The motion passed unanimously.

### **BOARD MEMBER COMMENTS**

Senator Judith Schwank shared a recent article from an investigative report from Spotlight PA, dated August 6, titled, "Condem, Discuss, Repeat". Suggested adding this topic to future agendas.

Chair Shapira acknowledged the article and noted that issues of diversity, equity, and inclusion will be the focus of a forthcoming board commission.

### **NEW BUSINESS**

None

### **ADJOURNMENT**

The meeting adjourned at 11:13 a.m.

### **EXECUTIVE SESSION**

The Board of Governors met in Executive Session from 11:15 a.m. to 11:57 a.m. following the Board meeting to discuss personnel and legal matters.

### **ATTEST:**

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

The meeting webcast is available here: <https://www.youtube.com/watch?v=8BLoWpdxlg&t=2605s>

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

CONSENT AGENDA ITEM #6b

## Proposed Board of Governors 2023 Meeting Calendar

January – December 2023			
DATE	DAY	BOARD MEETINGS AND CONFERENCE CALLS	TIME
February 15 February 16	Wednesday Thursday	Board Meeting Board Meeting	12:00 Noon 9:00 a.m.
April 19 April 20	Wednesday Thursday	Board Meeting Board Meeting	12:00 Noon 9:00 a.m.
July 19 July 20	Wednesday Thursday	Board Meeting Board Meeting	12:00 Noon 9:00 a.m.
September 13 September 14	Wednesday Thursday	Board Retreat Board Retreat (Board members only)	TBD TBD
October 18 October 19	Wednesday Thursday	Board Meeting Board Meeting	12:00 Noon. 9:00 a.m.
December 7	Thursday	Board Update Conference Call (Board members only)	8:30 a.m.

**Board of Governors Meeting**  
October 14, 2020

**SUBJECT:** System Redesign — Institutional Integrations: Update on Fiscal Review and Affirmation of Next Steps (**ACTION**)

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**UNIVERSITIES AFFECTED:** All

**BACKGROUND:** As part of the ongoing System Redesign effort, the Board of Governors in July 2020 approved the process for exploring potential institutional integrations under the auspices of new authority provided by Act 50 of 2020.

The process began with a review of the financial stability of System universities assuming the continuation of present operations and as impacted by potential integrations. In accordance with the transparent and consultative nature of this process, the results of that review will be shared during the Board of Governors meeting, during which the Board will consider affirmation of next steps in the process.

**MOTION:** That the Board hereby affirms the ongoing institutional integrations process and authorize the Chancellor to proceed with the development of appropriate integration plans for review by the Board in 2021.

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**Supporting Documents Included:** N/A

**Other Supporting Documents Available:** [Statutes](#) providing Board authority; [System Redesign website](#)

**Reviewed by:** N/A

**Prepared by:** Daniel I. Greenstein

**Telephone:** (717) 720-4000

**Board of Governors Meeting**  
October 14, 2020

**SUBJECT:** Policy 2020-03:*Act 50 Implementation Policy* **(ACTION)**

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**UNIVERSITIES AFFECTED:** All, except West Chester University of Pennsylvania and Indiana University of Pennsylvania.

**BACKGROUND:** In accordance with Act 50 of 2020, the Board is required to develop policies and procedures by which it may create, expand, consolidate, transfer or affiliate an institution. This includes requiring the development of proposed and final implementation plans as part of the process by which it may create, expand, consolidate, transfer or affiliate an institution using metrics identified by Act 50.

**MOTION:** That the Board approves Policy 2020-03:*Act 50 Implementation Policy*, as required by Act 50 of 2020.

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**Supporting Documents Included:** Draft policy

**Other Supporting Documents Available:** None

**Reviewed by:** Executive Leadership Group

**Prepared by:** Andrew C. Lehman

**Telephone:** (717) 720-4000

**Effective:** October 14, 2020

Page 1 of 4

## **Policy 2020-03: Act 50 of 2020 Implementation Policy**

**See Also:**

**Adopted:** October 14, 2020

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### **A. Purpose and Scope**

Pursuant to Act 50 of 2020, the Board of Governors (Board) may create, expand, consolidate, transfer or affiliate a university, except for a university with a Fall 2019 headcount enrollment greater than 10,000 students. The Board is not authorized to close a university. To undertake the creation, expansion, consolidation, transfer or affiliation of State System universities, the Board is required to develop policies and procedures. The chancellor is directed to develop reports and recommendations prior to Board action to create, expand, consolidate, transfer or affiliate any university. After the reports and recommendations are provided to the Board, the chancellor is responsible for developing an implementation plan for final approval. This policy will set forth the detail of the review process and the implementation plan.

Per statute, this policy does not apply to West Chester University of Pennsylvania and Indiana University of Pennsylvania, both of which had a Fall 2019 headcount enrollment greater than 10,000 students.

### **B. Policy**

The chancellor, in consultation with the Board, is hereby directed to conduct a review of the System and determine what, if any, universities will be subject to this policy. After determining what universities, if any may be impacted, the chancellor is directed to determine by financial stability of any impacted university utilizing student support metrics, student success metrics and other financial metrics and develop a report and recommendations.

#### **1. Review of Financial Stability**

The report and recommendations shall include, but not be limited to, an analysis of the following:

- a) Enrollment trends.
- b) Projections of revenues and expenditures for the current year and the next five (5) years, both assuming the continuation of present operations and as impacted by any recommendation for the Board to exercise the Board's powers under this policy.
- c) Assets, liabilities and university reserves.



- d) Actions undertaken to improve the financial stability of the university and the financial impact of those actions.
- e) Additional actions that could be taken to improve the financial stability of the university, the projected financial impact of those actions and whether those actions would alleviate the need for the Board to exercise the Board's powers this policy.
- f) The financial impact on the university and the system if no action is taken by the Board to exercise the Board's powers under this policy.
- g) The financial impact on the surrounding community of the university if action is taken by the Board to exercise the Board's powers under this policy.
- h) Impacts on affiliated entities and any donor restrictions on the use of non-State-appropriated funds.

## **2. Development of Proposed Implementation Plan**

Upon the Board's receipt of the report and recommendation, the chancellor shall develop a proposed implementation plan. The proposed implementation plan shall include the following information:

- a) Description of the proposal to exercise powers under this policy.
- b) Rationale, goals and objectives of the proposal to exercise powers under this policy.
- c) Method for evaluating achievement of goals and objectives.
- d) Relation of the proposal to the mission and strategic plan of the university and system as a whole.
- e) Impacts on academic programs, nonacademic units and accreditation.
- f) Impacts on students, faculty and staff.
- g) Impacts on the community.
- h) Impacts on shared governance.
- i) Before and after organizational charts for all impacted universities.
- j) Information included in the chancellor's report and recommendation as required under subsection B.1 of this policy.
- k) Timeline for the implementation plan.

## **3. Process for Review and Approval of Proposed Implementation Plan**

The proposed implementation plan shall be approved by a majority vote of the Board. If the Board rejects the proposed implementation plan, the chancellor may amend the proposal and present it to the Board for reconsideration and approval by a majority vote of the Board. Within fourteen (14) days after approval of the proposed implementation plan, the Board shall do the following:

- a) Transmit a copy of the proposed implementation plan to the following:
  1. Chairperson and minority chairperson of the Appropriations Committee of the Senate;
  2. Chairperson and minority chairperson of the Education Committee of the Senate;
  3. Chairperson and minority chairperson of the Appropriations Committee of the House of Representatives; and
  4. Chairperson and minority chairperson of the Education Committee of the House of Representatives.
- b) Make the proposed implementation plan available on the State System website for review and solicit public comment for a period of sixty (60) days.

During the sixty (60) day public comment period, the Board shall consult with stakeholders, including faculty, staff, students and administrators, and hold at least two public hearings as part of the public comment period required under this policy. After the public comment period and before any action may be taken pursuant to section B.1 of this policy, the Board shall

consider comments made by stakeholders during the public comment period and present an implementation plan at a public meeting subject to the approval by two-thirds (2/3) of the Board. If the Board votes to approve the implementation plan, the Board shall, within fourteen (14) days, transmit a copy of the final implementation plan to the following:

- a) Chairperson and minority chairperson of the Appropriations Committee of the Senate.
- b) Chairperson and minority chairperson of the Education Committee of the Senate.
- c) Chairperson and minority chairperson of the Appropriations Committee of the House of Representatives.
- d) Chairperson and minority chairperson of the Education Committee of the House of Representatives.

#### **4. Required Reporting**

Upon development of a proposed implementation plan under section B.2 of this policy, the chancellor shall report on a quarterly basis in person to the chairperson and minority chairperson of the Appropriations Committee of the Senate, the chairperson and minority chairperson of the Education Committee of the Senate, the chairperson and minority chairperson of the Appropriations Committee of the House of Representatives and the chairperson and minority chairperson of the Education Committee of the House of Representatives information detailing the actions taken, actions planned to be taken in the next quarter and progress made toward developing and implementing the goals of the proposed plan on the respective universities. Within fifteen (15) days of the issuance of a report to the chairpersons, the chancellor shall present the report at a joint public hearing of the Appropriations Committee of the Senate and the Education Committee of the Senate and a joint public hearing of the Appropriations Committee of the House of Representatives and the Education Committee of the House of Representatives. A report under this section shall continue until the plan is either rejected by the Board or has been fully implemented. A report shall include, but is not limited to, the following information:

- a) An overview of the financial position of the respective universities at the time of plan approval and at the time of the report.
- b) The operating budget and total budget for each university at the time of plan approval and at the time of the report.
- c) The estimated amount of expenditures needed to support plan implementation at the time of plan approval and the cumulative amount of expenditures made to support plan implementation at the time of the report.
- d) The applicable organizational charts at the time of plan approval and at the time of the report.
- e) Full-time enrollments at the time of plan approval and at the time of the report.
- f) Graduation outcomes at the time of plan approval and at the time of the report.
- g) (The cost of tuition, room and board and fees at the time of plan approval and at the time of the report.
- h) The average cost of attendance at the time of plan approval and at the time of the report.
- i) The number of faculty and nonfaculty employees at the time of plan approval and at the time of the report.
- j) The number of faculty and nonfaculty employees by location at the time of plan approval and at the time of the report.
- k) Each impact to faculty and nonfaculty employee staffing, including, but not limited to, separations, reductions in force, reclassifications of job responsibilities or roles or reassignments to other universities within the system. The notification under this paragraph shall include an estimated financial impact for the current and subsequent two fiscal years.

- l) The faculty-to-student ratio and the faculty and nonfaculty employee-to-student ratio at the time of plan approval and at the time of the report.
- m) A list of academic programs that have been terminated or consolidated and an explanation of the reasons for termination or consolidation.
- n) A list of new academic programs that have been approved and an explanation of the need for the programs.
- o) The number of academic programs by location at the time of plan approval and at the time of the report.
- p) A list of property that is for sale or has been sold and the value of the proceeds from the sale.
- q) A list of administrative service consolidations and the value of savings resulting from the consolidations.
- r) A list outlining concerns related to the implementation of the plan on the community and affiliated organizations.
- s) Any other information as requested by the chairpersons enumerated under this subsection.

### **5. Timeline for Final Implementation Plan**

The timeline for implementation to be completed as described in the final implementation plan shall be no earlier than twelve (12) months from the date of the issuance of the proposed implementation plan. The Board's authority to approve a final implementation plan shall expire June 30, 2023. Actions taken by the Chancellor prior to the effective date of this policy are hereby affirmed.

### **C. Authorization**

The chancellor is authorized to promulgate procedures and standards as necessary to implement this policy.

### **D. Effective Date**

This Policy is effective October 14, 2020.

**University Success Committee**  
October 14, 2020

**SUBJECT:** Fiscal Year 2021-22 Educational and General Appropriation Request (**ACTION**)

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**UNIVERSITIES AFFECTED:** All

**BACKGROUND:** As part of System Redesign, the System has created a comprehensive, strategic planning toolset that aligns multiyear System and university goals, net price strategies, budgets, and academic planning to ensure results and underpin individual and institutional accountability and sustainability. This new Comprehensive Planning Process (CPP) has streamlined the work performed by the universities and supports Systemwide planning cycles, including the appropriations request process.

Educational and General (E&G) financial projections for FY 2020-21, 2021-22 and 2022-23 have been developed through this year's CPP to support the ongoing operations of State System universities based upon the most accurate information available. Act 188 of 1982 requires the Board of Governors to approve the universities' FY 2020-21 budgets (Attachment 1 as the basis for the development of the System's request.

The System's financial requirements are provided in the attached FY 2021-22 E&G Appropriation Request Overview (Attachment 2. It is proposed, as reflected in Table 1 of Attachment 2, that the State System seek an E&G appropriation request of \$487.0 million, an increase of \$9.5 million, or 2 percent to minimize the net price for Pennsylvania students, augmenting ongoing efforts to address access and affordability.

In addition to this request, and as approved by the Board of Governors at its October 2019 meeting, the System will continue to request funds for a System Redesign investment of \$100 million over five fiscal years. As no such funds were received this year, and after consultation with the Board's Executive Committee (as required by that action, the System will continue to seek funding for System Redesign at \$25 million per year over the next four fiscal years.

**MOTION:** That the Board approves:

1. The fiscal year 2020-21 E&G budgets for the State System universities and Office of the Chancellor, reflected in Attachment 1, as the basis for the System's appropriation request; and,
2. A fiscal year 2021-22 E&G appropriation request of \$487,019,000, an increase of \$9.5 million or 2.0 percent, reflected in Attachment 2.

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**Supporting Documents Included:** Fiscal Year 2020-21 Educational and General Budgets for State System Entities; Fiscal Year 2021-22 Educational and General (E&G) Appropriation Request Overview

**Other Supporting Documents Available:** October 2019 Board of Governors' meeting minutes

**Reviewed by:** Executive Leadership Group

**Prepared by:** Sharon P. Minnich

**Telephone:** (717) 720-4100

**Attachment 1**  
**Fiscal Year 2020-21 Educational and General Budgets**  
**for State System Entities**  
*As of October 14, 2020*

As part of System Redesign, the System has created a multiyear planning process that integrates academic program planning, university goals and the strategies to achieve them, and the financial projections to support programs, goals, and sustainability. This integrated approach allows the System and universities to clearly articulate the objectives and strategies aligned to Board-affirmed metrics, to allow visibility into implementation and progress toward those objectives, and to inform accountability and performance goals. This information is also utilized, in part, to inform and provide context for academic planning and budgeting, and to support the Commonwealth's annual appropriations request process.

The following information, provided through this year's Comprehensive Planning Process (CPP), supports the Board of Governors' fiduciary responsibilities. In accordance with Act 188 of 1982, the Board of Governors approves the current fiscal year (FY 2020-21) Educational and General (E&G) budgets of the universities and the Office of the Chancellor as the basis for the development of the System's FY 2021-22 E&G appropriation request.

E&G budgets support ongoing general academic, administrative, and physical operations. Restricted (sponsored programs and most financial aid) and auxiliary (dining, housing, recreation centers, and student centers) activities are excluded. University budgets vary from one another due to the unique nature of each university's enrollment, employee complement, instructional offerings, physical plant, and strategic direction.

Below are explanations of the enrollment, revenue, and expenditure expectations for System universities and the Office of the Chancellor for FY 2020-21, as submitted by the universities in September 2020 and reviewed by the Executive Leadership Group (the University's presidents as convened by the Chancellor). University budgets were developed in consultation with key university constituencies, and based on realistic projections for how the university expects to end the fiscal year, aligning with the projections used within the campus community and as previously provided as part of financial sustainability planning. Projections are primarily financial; however, data components also include enrollment, workforce, and Board-affirmed metrics. A summary for each entity is provided in Table 1 at the end of this overview.

## **Fiscal Year 2020-21 Highlights**

### **Impact of COVID-19**

Prior to COVID-19, the System universities were implementing multi-year plans focused on cost control, increasing efficiencies, and aggressive management of their non-viable academic programs and workforce. These efforts have intensified in response to the pandemic. The System is supporting its universities in these efforts through a variety of means including expanding shared services, debt refinancing and offering retirement incentive programs. System universities are also making progress with revenue generation, notably through enrollment stabilization, student retention, and investment in high-demand credentialing programs.

The System and its universities continue to monitor and assess the effects of the COVID-19 pandemic and its impact on operations. A full assessment of the financial impact on the System depends, in part, on the Commonwealth, federal, and student responses to the impact of COVID-19. The financial projections provided incorporate university planning for COVID-related revenue and expenses anticipated as of September 4, 2020. At that time, the universities estimated a combined FY 2019-20 and 2020-21 negative fiscal impact of the pandemic of approximately \$85 million, net of

the federal funding awarded and anticipated, with an additional affiliate negative impact of approximately \$64 million.

It is not possible, at present, to project the total impact of the pandemic on the System’s revenues and expenditures; university financial plans will continue to be modified in accordance with further pandemic developments and university responses. A brief accounting of known impacts and mitigations follows.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was enacted March 27, 2020, allocating \$2.2 trillion in support to individuals and businesses affected by the Coronavirus pandemic and economic downturn. The State System universities have been awarded grants from the education section through the Higher Education Emergency Relief Fund (HEERF), administered through the US Department of Education (ED). Additionally, the Commonwealth was appropriated funds from the state and local governments section, administered through the US Treasury, of which a portion was appropriated by the Commonwealth to the State System. In August 2020, the Pennsylvania Department of Education also awarded a portion of the ED Governor’s Education Emergency Relief Fund (GEERF) to State System universities to assist with fall 2020 reopening efforts.

Below is a summary of CARES Act funds awarded to the State System. All but GEERF were awarded in FY 2019-20.

	<i>\$ in millions</i>
Emergency Aid for Students <sup>1</sup>	\$40.0
Institutional Share <sup>1</sup>	40.0
Strengthening Institutions Program <sup>1</sup>	2.6
Appropriated Coronavirus Relief Funds <sup>2</sup>	30.0
Governor’s Education Emergency Relief <sup>3</sup>	<u>4.2</u>
Total CARES Act Funds	\$116.8
For University Use (less Emergency Aid)	\$76.8

<sup>1</sup>*HEERF, US Department of Education*

<sup>2</sup>*Title V, Assistance for State, Local and Tribal Governments, US Department of the Treasury*

<sup>3</sup>*GEERF, US Department of Education, as distributed by Pennsylvania Department of Education*

The Emergency Aid for Students is not reflected in the financial information provided in this document, as those funds were explicitly provided to the universities as a vehicle for distributing cash to students; they were not financial aid, nor could they be used for institutional purposes. The remaining \$76.8 million of CARES Act revenues are reflected in the year in which they are used, with approximately \$44 million reflected in FY 2019-20 and the remaining \$33 million in FY 2020-21. Although most of these funds support unrestricted activities in both the E&G and Auxiliary enterprises, they each have specific eligibility requirements. In addition to the CARES Act funds, universities may submit expenses associated with COVID-19 mitigation to the Pennsylvania Emergency Management Agency (PEMA) for reimbursement from the Federal Emergency Management Agency (FEMA) and PEMA. No such funds were received in FY 2019-20; universities are identifying such costs and managing the reimbursement process in FY 2020-21.

The largest component of the FY 2019-20 COVID-19 financial impact was the almost \$70 million in refunds of spring semester housing, dining and other fees that System universities provided to students, excluding approximately \$25 million in student housing refunds provided by university affiliates. Housing ownership and management varies by university and System universities are working closely with their affiliated entities that either own or manage on-campus housing with respect to the financial impact of housing refunds and reduced housing demand during remote learning. The HEERF Institutional Funds have been used primarily to offset the spring refunds.

The financial impact in the current year (FY 2020-21) and beyond will be dependent upon enrollment impacts, the continuing need for social distancing, ongoing response efforts to mitigate COVID-19, any potential resurgence of the virus, and future actions by other governmental entities. Fall 2020 began with most universities offering classes primarily through remote learning and significantly reduced on-campus operations and activities. Preliminary student data indicates a minimal impact of COVID-19 on fall enrollment. Universities continue to incur costs for remote learning, remote working and pandemic mitigation, as well as revenue losses associated with on-campus activities and auxiliary functions.

### **Financial Reporting Improvements**

The implementation of the CPP was accompanied with the establishment of several new System procedures/standards and definitions to ensure the consistent application of terms, guidelines, and expectations by all universities to result in reliable, consistent, and realistic projections. These new budget and planning processes provide for more consistent alignment of operating and plant funds, a greater focus on the dependencies between the E&G and Auxiliary Enterprises, clarity in employee complement reporting, and a focus on ongoing financial sustainability rather than the annual operating results.

These changes are reflected in the FY 2020-21 E&G budget summaries that are provided in this document. Below is a brief explanation of the financial information provided in Table 1 and Systemwide results; individual university experience may vary significantly.

### **Revenue/Sources**

**Tuition**—At its April 2020 meeting, the Board of Governors froze tuition for FY 2020-21 for the second year in a row, recognizing the potential impact of COVID-19 on student finances and the importance of affordability to student success. FY 2020-21 tuition revenue projections reflect the impact of changes in enrollment. Most System universities—like others in Pennsylvania—continue to experience declines in annualized full-time equivalent (FTE) enrollment with a corresponding adverse effect on tuition and fee revenues. FY 2020-21 annualized FTE enrollment is expected to have the smallest decline experienced since FY 2014-15, with an overall reduction of approximately 1,900 FTE students, or 2.1 percent, which is consistent with original projections. Although overall enrollment does not appear to have been materially impacted by COVID-19, there is a greater reduction to out-of-state enrollment. System-wide, tuition revenue is expected to decrease \$33.9 million, or 4.1 percent.

**Fees**—The universities' councils of trustees also froze most institution-based student fee rates. Student fees include mandatory fees charged to all students, such as instructional support fees and health center fees, as well as optional fees charged to students for specific services or privileges, such as parking fees.

Also included in this revenue category is the Technology Tuition Fee, set by the Board of Governors, which is budgeted to generate \$45.3 million in revenue for instructional technology purposes. All fee revenue reflects the combined impact of enrollment changes. The combined E&G fee revenue decreased an average of 3.4 percent. University fee practices vary significantly.

**State Appropriation**—The System's FY 2020-21 E&G appropriation of \$477.5 million remains unchanged from the prior year. The state appropriations were allocated to all universities at the same amount as they received in FY 2019-20, as approved by the Board of Governors at its July 2020 meeting.

**All Other Revenue**—Included in this category are federal CARES Act funds, unrestricted gifts,

contracts, and grants; investment income; educational fees for noncredit activity; parking and library fines; corrections from prior years; and other miscellaneous revenue sources. Activities generating these revenues vary widely by university and tend to be nonrecurring. Most universities do not anticipate increases and/or continuation of certain miscellaneous revenue sources in this category, and limit expenditures supported by these specific revenue streams in their budget estimates accordingly.

### **Expenditures/Transfers**

**Compensation**—Universities estimate budgeted FTE positions based upon anticipated filled positions, taking into consideration retirements, vacancies, enrollment changes, programmatic requirements, efficiency and productivity efforts, and regular annual turnover in employee complement. Universities review all vacated positions to determine if they must be refilled, eliminated, or repurposed to meet a more critical function. System universities are planning to reduce positions in FY 2020-21, assisted in part by the System’s Enhanced Sick Leave Program that resulted in over 400 retirements in the last six months. In total, 9,825 E&G FTE positions are budgeted for FY 2020-21, representing a decrease of 506 FTE positions, or 4.9 percent, over the FY 2019-20 actual complement, net of turnover.

**Salaries and Wages**— Personnel expenditures are projected based on the anticipated annualized FTE employees comprising the workforce for the year, and the current pay requirements for each employee group. These rates include compensation adjustments for all employee groups as required in existing collective bargaining agreements and in accordance with previous actions by the Board of Governors. These changes result in an overall decrease in salary and wage expenditures of 1.0 percent.

**Benefits**—The vast majority of System employees are enrolled in either the System’s healthcare program or the Commonwealth’s Pennsylvania Employees Benefit Trust Fund (PEBTF) program for health benefits. Recent plan changes helped to reduce the System’s healthcare costs over the last several years. In FY 2020-21, the System’s plan experienced an overall rate increase of less than 2.0 percent; the PEBTF rates increased 3.3 percent. Commonwealth retiree healthcare rates remained level, while the System’s retiree rates decreased 11.9 percent.

The most common employer contribution rates for the State Employees’ Retirement System (SERS) and Public School Employees’ Retirement System (PSERS), in which approximately half of the System’s eligible employees participate, increased approximately 2.2 percent and 1.4 percent, respectively. In total, employee benefits expenses are projected to decrease 1.9 percent.

**Student Financial Aid**—Given the emphasis on affordability, retention, enrollment management, and the net price to the student, E&G expenditures for student financial aid are reflected as a separate category in the budget summary. The use of institutional unrestricted resources for student aid increased \$12.3 million, or 17.2 percent, in FY 2020-21.

**Other Services and Supplies**—Expenditures in this category support all the day-to-day university operations, including utilities; professional services; teaching, office, and custodial supplies; travel; subscriptions and memberships; postage; and noncapital equipment. Costs in several commodity areas were contained through Systemwide strategically sourced procurements. In addition, universities routinely purchase products and services under Commonwealth and other governmental contracts to reduce costs. During FY 2020-21, other services and supplies expenditures are expected to increase \$28.5 million, or 11.6 percent, in total. Much of this increase is associated with 1) COVID-19-related expenses for mitigation, social distancing, and remote learning/working; and 2) the one-time reduction of expenditures in the prior year, due to spring 2020 campus closures.



**Capital Expenditures and Debt Principal Payments**—Included in this category are purchases of items such as equipment, furniture, and library materials, as well as land and building improvements that have a useful life that is depreciated over time. The System budgets these expenditures on a cash basis, rather than budgeting depreciation. Please note: Commonwealth capital funding provided for projects listed in the System’s Five-Year Capital Plan are not reflected in the System’s revenue or expenses. Debt Principal Payments includes all university principal debt payments owed for outstanding System bonds associated with university-funded E&G facility projects. University capital expenditures vary widely from year to year.

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

**Revenues Less Expenditures and Transfers**—This item represents the annual financial plan’s surplus or deficit—the difference between anticipated revenue and planned expenditures and transfers. A positive number reflects a surplus, which typically would result in a positive operating margin and increasing unrestricted net assets—both of which are Board-approved financial metrics. A negative number reflects a deficit, indicating that planned expenditures/transfers exceed anticipated revenue. It is important to note that a deficit may reflect the intended use of resources that had been saved over years for specific one-time strategic investments and are now being used for that intended purpose, such as funding start-up costs for new programs or major capital equipment purchases.

**Loans To/From Auxiliary Fund**—The enrollment challenges experienced by most universities in recent years, coupled with housing debt, are resulting in some critical financial challenges in Auxiliary Enterprises. In limited circumstances, and in accordance with Board of Governors’ policy 2019-01: *University Financial Sustainability*, intra-university loans between the different unrestricted E&G and Auxiliary operations may be necessary.

**Unrestricted Net Assets, Estimated End of Year Balance and Cash, Estimated End of Year Balance**—As mentioned previously, this financial model incorporates a multiyear approach to financial sustainability. Sound financial practice results in positive operating margins, where revenue exceeds expenditures and transfers, in order to create a financial position with net assets that may be used for reinvestment into the institution. Providing the available unrestricted net assets affords the reader an understanding of the university’s ability to withstand year-to-year financial challenges, maintain its physical plant, and to invest in its future. When universities deplete unrestricted net assets, the availability of cash is critical for a university to maintain operations with its own resources. Based on the information provided, two universities may not have enough of their own resources to meet their FY 2020-21 anticipated obligations.

**Uses of Net Assets**—Universities utilize unrestricted net assets (also referred to as reserves) for a variety of purposes. For those universities whose current year obligations are projected to exceed current year revenues, requiring the use of unrestricted net assets, this section summarizes each universities’ intended use of these one-time resources.

Fiscal Year 2020-21 Educational and General (E&G) Budget

Table 1

	Bloomsburg	California	Cheyney	Clarion	East Stroudsburg	Edinboro	Indiana	Kutztown
Revenues	FY 2020-21	FY 2020-21	FY 2020-21	FY 2020-21	FY 2020-21	FY 2020-21	FY 2020-21	FY 2020-21
Tuition	\$72,543,847	\$59,199,717	\$5,092,560	\$33,154,720	\$53,091,670	\$36,069,104	\$87,389,306	\$63,724,172
Fees	20,175,562	13,341,759	1,714,523	11,254,253	11,322,196	9,586,372	28,210,644	16,122,605
State Appropriation	38,405,845	34,181,375	13,497,667	26,512,315	29,043,833	28,576,510	56,058,332	37,711,137
All Other Revenue	7,300,130	6,200,811	6,285,609	9,926,958	5,540,529	3,071,159	19,970,851	4,966,204
<b>Total Revenues</b>	<b>\$138,425,384</b>	<b>\$112,923,662</b>	<b>\$26,590,359</b>	<b>\$80,848,246</b>	<b>\$98,998,228</b>	<b>\$77,303,145</b>	<b>\$191,629,133</b>	<b>\$122,524,118</b>
<b>Expenditures</b>								
Compensation Summary:								
Salaries and Wages	\$71,637,751	\$55,786,006	\$8,033,996	\$40,656,324	\$49,262,549	\$45,616,646	\$99,485,964	\$62,338,479
Benefits	35,539,928	26,456,930	3,694,919	19,644,688	21,644,862	23,587,976	46,672,472	30,263,469
Subtotal, Compensation	\$107,177,679	\$82,242,936	\$11,728,915	\$60,301,012	\$70,907,411	\$69,204,622	\$146,158,436	\$92,601,948
Student Financial Aid	5,710,931	7,972,487	650,000	5,129,181	4,476,635	2,484,666	17,098,095	6,036,384
Other Services and Supplies	27,837,704	19,663,754	10,563,311	19,999,600	20,756,531	15,172,743	31,012,909	20,151,092
Subtotal, Services and Supplies	\$33,548,635	\$27,636,241	\$11,213,311	\$25,128,781	\$25,233,166	\$17,657,409	\$48,111,004	\$26,187,476
Capital Expenditures and Debt Principal	1,915,982	2,876,212	1,036,541	883,415	3,264,081	913,839	3,018,667	3,576,909
<b>Total Expenditures</b>	<b>\$142,642,296</b>	<b>\$112,755,389</b>	<b>\$23,978,767</b>	<b>\$86,313,208</b>	<b>\$99,404,658</b>	<b>\$87,775,870</b>	<b>\$197,288,107</b>	<b>\$122,366,333</b>
<b>Revenues Less Expenditures</b>	<b>(\$4,216,912)</b>	<b>\$168,273</b>	<b>\$2,611,592</b>	<b>(\$5,464,962)</b>	<b>(\$406,430)</b>	<b>(\$10,472,725)</b>	<b>(\$5,658,974)</b>	<b>\$157,785</b>
<b>Transfers to Plant Fund</b>	<b>1,703,255</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,368,616)</b>	<b>0</b>	<b>3,302,771</b>	<b>157,785</b>
<b>Expenditures and Transfers to Plant</b>	<b>144,345,551</b>	<b>112,755,389</b>	<b>23,978,767</b>	<b>86,313,208</b>	<b>98,036,042</b>	<b>87,775,870</b>	<b>200,590,878</b>	<b>122,524,118</b>
<b>Revenues Less Expenditures and Transfers</b>	<b>(\$5,920,167)</b>	<b>\$168,273</b>	<b>\$2,611,592</b>	<b>(\$5,464,962)</b>	<b>\$962,186</b>	<b>(\$10,472,725)</b>	<b>(\$8,961,745)</b>	<b>\$0</b>
<b>Loans To/From Auxiliary Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$2,611,592)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$17,994,514)</b>	<b>\$0</b>	<b>\$0</b>
<b>Total E&amp;G/Plant Net Assets,</b> Estimated End of Year Balance	<b>\$26,153,774</b>	<b>\$12,893,861</b>	<b>(\$9,942,007)</b>	<b>(\$11,445,886)</b>	<b>\$37,919,202</b>	<b>(\$9,577,963)</b>	<b>\$63,615,092</b>	<b>\$36,936,215</b>
<b>E&amp;G and Plant Cash,</b> Estimated End of Year Balance	<b>\$42,427,455</b>	<b>\$29,607,108</b>	<b>\$5,781,531</b>	<b>(\$3,406,620)</b>	<b>\$47,339,769</b>	<b>\$0</b>	<b>\$62,207,701</b>	<b>\$49,956,281</b>
<b>Uses of Net Assets</b> (mark with "X" all that apply)								
Surplus for targeted strategic initiatives					X		X	
Surplus for targeted ongoing expenses							X	
Supports one-time strategic initiatives in budget	X						X	X
Supports ongoing expenses in budget	X	X					X	
<b>Annualized FTE Enrollment</b>								
Undergraduate	7,335.23	4,270.00	600.00	3,242.01	4,722.25	2,882.60	7,982.64	6,437.50
Graduate	578.65	1,821.00	0.00	596.53	579.07	984.89	1,265.30	638.91
<b>Total Annualized FTE Enrollment</b>	<b>7,913.88</b>	<b>6,091.00</b>	<b>600.00</b>	<b>3,838.54</b>	<b>5,301.32</b>	<b>3,867.49</b>	<b>9,247.94</b>	<b>7,076.41</b>
<b>Annualized FTE E&amp;G Employees, Net of Turnover</b>								
Faculty	402.72	286.00	44.78	237.58	241.92	271.72	542.11	396.75
Nonfaculty	459.95	348.94	53.93	275.82	350.35	232.60	567.35	343.24
<b>Total Annualized FTE Budgeted Employees</b>	<b>862.67</b>	<b>634.94</b>	<b>98.71</b>	<b>513.40</b>	<b>592.27</b>	<b>504.31</b>	<b>1,109.46</b>	<b>739.99</b>

Fiscal Year 2020-21 Educational and General (E&G) Budget

Table 1, Continued

	Lock Haven	Mansfield	Millersville	Shippensburg	Slippery Rock	West Chester	Office of Chanc. <sup>1</sup>	System Total <sup>2</sup>
Revenues	FY 2020-21	FY 2020-21	FY 2020-21	FY 2020-21	FY 2020-21	FY 2020-21	FY 2020-21	FY 2020-21
Tuition	\$28,271,255	\$13,592,282	\$69,412,900	\$53,860,065	\$79,069,245	\$148,887,236	\$0	\$803,358,078
Fees	7,317,800	1,362,496	13,900,271	11,579,668	18,456,073	30,521,764	0	194,905,986
State Appropriation	25,746,354	18,074,506	35,508,826	31,352,960	39,786,283	58,194,345	2,384,000	477,470,000
All Other Revenue	4,840,440	634,100	6,625,250	6,887,869	6,977,614	14,398,224	5,259,282	112,858,574
<b>Total Revenues</b>	<b>\$66,175,849</b>	<b>\$33,663,384</b>	<b>\$125,447,247</b>	<b>\$103,680,562</b>	<b>\$144,289,214</b>	<b>\$252,001,569</b>	<b>\$7,643,282</b>	<b>\$1,588,592,639</b>
<b>Expenditures</b>								
Compensation Summary:								
Salaries and Wages	\$37,405,569	\$20,642,020	\$64,167,224	\$55,865,222	\$74,892,962	\$137,854,325	\$4,355,061	\$836,233,934
Benefits	19,276,465	10,274,583	29,828,727	25,818,961	35,112,513	60,651,647	1,591,851	394,171,312
Subtotal, Compensation	\$56,682,034	\$30,916,603	\$93,995,951	\$81,684,183	\$110,005,475	\$198,505,972	\$5,946,912	\$1,230,405,246
Student Financial Aid	3,442,579	4,826,061	4,287,824	5,672,160	5,854,438	10,277,625	0	83,919,066
Other Services and Supplies	9,414,287	7,787,497	19,845,939	14,976,128	22,863,166	42,123,264	1,792,497	279,714,077
Subtotal, Services and Supplies	\$12,856,866	\$12,613,558	\$24,133,763	\$20,648,288	\$28,717,604	\$52,400,889	\$1,792,497	\$363,633,143
Capital Expenditures and Debt Principal	1,362,131	838,994	1,707,194	1,040,257	3,469,618	4,412,934	116,927	30,477,101
<b>Total Expenditures</b>	<b>\$70,901,031</b>	<b>\$44,369,155</b>	<b>\$119,836,908</b>	<b>\$103,372,728</b>	<b>\$142,192,697</b>	<b>\$255,319,796</b>	<b>\$7,856,336</b>	<b>\$1,624,515,491</b>
<b>Revenues Less Expenditures</b>	<b>(\$4,725,182)</b>	<b>(\$10,705,771)</b>	<b>\$5,610,339</b>	<b>\$307,834</b>	<b>\$2,096,517</b>	<b>(\$3,318,226)</b>	<b>(\$213,054)</b>	<b>(\$35,922,851)</b>
<b>Transfers to Plant Fund</b>	<b>(4,725,182)</b>	<b>356,272</b>	<b>5,610,339</b>	<b>307,834</b>	<b>3,125,356</b>	<b>3,576,504</b>	<b>(135,743)</b>	<b>12,691,814</b>
<b>Expenditures and Transfers to Plant</b>	<b>66,175,849</b>	<b>44,725,427</b>	<b>125,447,247</b>	<b>103,680,562</b>	<b>145,318,053</b>	<b>258,896,300</b>	<b>7,720,593</b>	<b>1,637,207,305</b>
<b>Revenues Less Expenditures and Transfers</b>	<b>\$0</b>	<b>(\$11,062,043)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,028,839)</b>	<b>(\$6,894,730)</b>	<b>(\$77,311)</b>	<b>(\$48,614,665)</b>
<b>Loans To/From Auxiliary Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$385,406)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$20,991,512)</b>
<b>Total E&amp;G/Plant Net Assets, Estimated End of Year Balance</b>	<b>\$34,371,660</b>	<b>(\$15,703,110)</b>	<b>\$37,780,680</b>	<b>\$10,209,868</b>	<b>\$54,808,429</b>	<b>\$64,128,229</b>	<b>\$12,487,796</b>	<b>\$354,632,444</b>
<b>E&amp;G and Plant Cash, Estimated End of Year Balance</b>	<b>\$39,207,355</b>	<b>(\$8,154,308)</b>	<b>\$34,687,033</b>	<b>\$21,578,041</b>	<b>\$80,101,737</b>	<b>\$125,946,897</b>	<b>\$13,807,732</b>	<b>\$544,726,031</b>
<b>Uses of Net Assets</b> (mark with "X" all that apply)								
Surplus for targeted strategic initiatives			X			X		X
Surplus for targeted ongoing expenses			X					X
Supports one-time strategic initiatives in budget			X	X		X		X
Supports ongoing expenses in budget			X				X	X
<b>Annualized FTE Enrollment</b>								
Undergraduate	2,590.80	1,644.63	5,929.48	4,966.87	7,435.04	14,312.51	0.00	74,351.56
Graduate	460.00	5.42	739.34	548.84	1,376.73	1,971.69	0.00	11,566.37
<b>Total Annualized FTE Enrollment</b>	<b>3,050.80</b>	<b>1,650.05</b>	<b>6,668.82</b>	<b>5,515.71</b>	<b>8,811.77</b>	<b>16,284.20</b>	<b>0.00</b>	<b>85,917.93</b>
<b>Annualized FTE E&amp;G Employees, Net of Turnover</b>								
Faculty	207.23	107.52	333.61	297.04	425.38	921.46	0.00	4,715.81
Nonfaculty	264.16	168.70	438.65	299.32	457.54	732.80	28.55	5,109.37
<b>Total Annualized FTE Budgeted Employees</b>	<b>471.39</b>	<b>276.22</b>	<b>772.26</b>	<b>596.36</b>	<b>882.92</b>	<b>1,654.26</b>	<b>28.55</b>	<b>9,825.18</b>

<sup>1</sup> One-half of One Percent Budget. <sup>2</sup> Includes Systemwide initiatives and shared service employees.

**Attachment 2**  
**Pennsylvania's State System of Higher Education**  
**Fiscal Year 2021-22 Educational and General (E&G) Appropriation Request Overview**  
*As of October 14, 2020*

**Introduction**

Pennsylvania's State System of Higher Education, through its 14 public universities, serves students throughout the Commonwealth with affordable, high-quality, post-secondary education programs.

The System is creatively pursuing solutions to align costs with revenues, including seeking to access new markets of students, all in an effort to preserve its spot in the marketplace as the affordable public higher education option for Pennsylvania; and it is doing so successfully, even when national higher education enrollment trends and the onset of the coronavirus pandemic have presented severe challenges.

The System strives to be nimble and adaptable in order for all its universities to achieve financial sustainability. To that end, the System is realigning and restructuring from top to bottom, including leveraging its massive scale by sharing critical back office administrative services and academic offerings to achieve cost efficiencies.

The System, however, is not alone in its mission to keep Pennsylvania's public higher education options affordable. The System's partnership with the state directly supports maintaining tuition levels so that every Pennsylvanian who wants to advance their education, regardless of zip code or economic status, can do so at a Pennsylvania public university.

**E&G Appropriation Request Highlights**

In fiscal year (FY) 2020-21, Pennsylvania's State System of Higher Education received \$477.5 million in state appropriations. The State System is appreciative of the Commonwealth's commitment to level-funding higher education for the full fiscal year while it is facing unprecedented financial challenges due to COVID-19 and acknowledges the continued fiscal challenges facing the Commonwealth.

The System's FY 2021-22 Educational and General (E&G) appropriation request builds upon the Commonwealth's commitment to funding higher education, while addressing real affordability constraints experienced by Pennsylvania's low- and middle-income students. As such, this request is built upon a budget that incorporates the following assumptions.

- An appropriation request of \$487,019,000, an increase of \$9,549,000, or 2 percent, if fully funded, will be used to minimize the net price for Pennsylvania students, augmenting ongoing efforts to address access and affordability.
- Tuition and Fee Rates—At its April 2020 meeting, the Board of Governors froze tuition for FY 2020-21 for the second year in a row, recognizing the importance of affordability to student success, and established a tentative tuition rate increase for FY 2021-22. Based on that action, a 1.0 percent increase in the rates for tuition, the technology tuition fee, and all university-based fees is projected.

- Universities projected an overall 0.5 percent enrollment increase. Anticipated enrollment trends vary significantly due to differences in regional demographics, program mix, student success initiatives, etc.
- Projected expenditures incorporate both mandatory cost increases in employee pay, healthcare, and pension obligations required to continue operations into the ensuing years, as well as continued university efforts to address the structural gap between revenues and expenses through strategic changes to their business model for long-term financial sustainability.

As universities implement lasting changes to their cost structure, available one-time resources (unrestricted net assets or reserves) may be used as a transitional tool.

### **Fiscal Year 2021-22 Educational and General Budget Requirements**

As part of System Redesign, this fall's Comprehensive Planning Process (CPP) has integrated the budget and strategic planning cycles, ensuring consistent data across all universities. In support of the Board of Governors' consideration of the FY 2021-22 appropriation request, the attached materials present the System's E&G budget within the context of multiyear enrollment, financial and workforce data, and financial sustainability.

The System's E&G budget for four years, comprised of the actual (FY 2019-20), current (FY 2020-21), and projected budgets (FY 2021-22 and 2022-23) of the 14 universities and the Office of the Chancellor, as presented in Table 1, provides context for multiyear planning. However, the System's E&G appropriation request will only address FY 2021-22, which incorporates the following adjustments. Please note, individual university experience and projections vary widely from the overall System results.

#### **Impact of COVID-19 on Financial Plans**

Fall 2020 began with most universities offering classes primarily through remote learning and significantly reduced on-campus operations and activities. Universities continue to incur costs for remote learning, remote working and pandemic mitigation, as well as revenue losses associated with on-campus activities and auxiliary functions. The financial impact in the current year (FY 2020-21) and beyond will be dependent upon enrollment impacts, the continuing need for social distancing, ongoing response efforts to mitigate COVID-19, any potential resurgence of the virus, and future actions by other governmental entities. The System and its universities continue to monitor and assess the effects of the COVID-19 pandemic and its impact on operations.

The financial projections provided incorporate university planning for COVID-related revenue and expenses anticipated as of September 4, 2020. At that time, the universities estimated a FY 2020-21 negative fiscal impact of the pandemic of approximately \$57 million, net of the federal funding awarded and anticipated, primarily due to the curtailment of on-campus activities. This is particularly noticeable in the auxiliary functions, but is also noticeable in the E&G budgets in the reduction of student fee revenues associated with student activities.

University financial plans will continue to be modified in accordance with further pandemic developments and university responses.

## **FY 2021-22 Anticipated Revenue**

**Enrollment**—Preliminary fall 2020 enrollment indicates half of the State System universities are serving more students this fall, even in the midst of the pandemic and continued reductions in the number of high school graduates and the proportion of those who pursue a higher education. Estimates for an FY 2021-22 annualized FTE enrollment of approximately 86,300 reflect a slight increase of approximately 400 FTE students, or 0.5 percent, as the effects of enhanced enrollment management strategies, student retention efforts, and improved admissions standards begin to take hold.

**Tuition and Fees**—The System's FY 2021-22 tuition and fee revenues are estimated at rates that maintain the current level of affordability, consistent with the tentative tuition rate considered by the Board in April 2020. The Board will set tuition for FY 2021-22 in April 2021. Tuition and fee revenue projections also include the estimated 0.5 percent overall increase in enrollment and changes in the mix of students (e.g., full-time versus part-time, residency, and student level). In addition, estimates assume a return to a normal on-campus living/learning environment and the return of fee revenue that supports campus-based activities. The result is an increase of \$36.3 million in gross tuition and fee revenue.

**State Appropriation**—The state appropriation in Table 1 reflects requested funding of the E&G appropriation at \$487.0 million, an increase of \$9.5 million, or 2.0 percent, to support student affordability and access.

**All Other Revenue**—In FY 2020-21, this category includes one-time CARES Act funding in support of E&G-related COVID-19 mitigation efforts, which is not anticipated to continue. This decrease in federal funding, combined with adjustments to other miscellaneous revenue sources, results in an overall decrease \$17.7 million, or 16.5 percent.

## **Anticipated Expenditures**

Projected expenditures reflect the cost to continue operations into the ensuing years for the anticipated enrollment, referred to as the "cost to carry" budget, coupled with continued university efforts to address the structural gap between revenues and expenses through strategic changes to their business model to ensure financial sustainability.

**Employee Complement**—The System has worked diligently in recent years to manage its human resources, filling only essential positions as they become vacant. Continuing to align human and fiscal resources remains a priority, as evidenced by the use of retirement incentive programs, efforts to eliminate redundancy through shared academic and administrative services, and a focus on increasing efficiency. In addition, the annual impact of normal employee turnover is applied to both employee complement and compensation cost estimates. The resulting effect is a FY 2021-22 expected reduction in annualized FTE employees of 674, or 6.9 percent.

**Salaries and Wages**—Personnel expenditures are projected based on the anticipated annualized FTE employees comprising the workforce for the year, and the projected pay and benefit rates provided. These rates include compensation adjustments for all collective bargaining units in accordance with their collective bargaining agreements; a similar adjustment is projected for nonrepresented employees. Salaries and wages, as well as associated benefits, are adjusted annually to reflect the historical savings due to employee turnover throughout the fiscal year.

Given these assumptions, salary and wage expenditures are projected to decrease \$36.1 million, or 4.3 percent, in FY 2021-22. These pay adjustments also generate a corresponding fiscal impact on social security and retirement benefit costs.

**Employee Benefits**—Overall, FY 2021-22 employee benefits expenditures are expected to decrease \$9.4 million, or 2.4 percent.

Social security and retirement expenses are planned to change with known salary/wage changes and plan contribution rates. Approximately half of the System's employees have chosen one of the two primary Commonwealth pension programs—State Employees' Retirement System (SERS) and Public School Employees' Retirement System (PSERS)—as their retirement vehicle. In accordance with Commonwealth budget guidelines, pension rates affecting all employee participants in the SERS and PSERS plans are projected to increase approximately 4.0 percent and 1.3 percent, respectively. The alternative retirement plan rates remain unchanged. Total retirement costs are expected to decrease \$1.1 million, or 0.8 percent.

Of those employees who receive health benefits, approximately 65 percent are enrolled in the System's healthcare program. The employer share of healthcare rates for active and annuitant employees within the System-managed programs is projected to increase an average of 4.0 percent next year for employees and retirees, based upon a combination of national trends, the System's healthcare experience, participation in the wellness program, and the anticipated change in complement. The remaining 35 percent of System employees receive healthcare through the Pennsylvania Employees Benefit Trust Fund (PEBTF). The Commonwealth budget guidelines include a 3.4 percent increase in the FY 2021-22 employer contribution rates, and contribution rates for the Commonwealth's retiree healthcare program are projected to remain at the same level as FY 2020-21. Combined healthcare costs are anticipated to decrease \$4.1 million, or 2.4 percent.

**Student Financial Aid**—In April 2019, the Board of Governors approved a new framework for pricing that focuses on the net price to the student to ensure affordability. These actions, building upon existing university practices, support the use of institutional financial aid to reduce financial barriers to higher education. Given the growing emphasis on affordability, access, retention, enrollment management, and the net price to the student, continued growth is projected in the use of institutional unrestricted resources and additional state appropriations for student aid. E&G student aid expenditures in FY 2021-22 are expected to grow an additional \$16.9 million, or 20.1 percent.

**All Other Basic Operating Expenditures**—Universities continue to limit nonmandatory spending and seek further efficiencies through strategic sourcing. In addition, estimates assume a return to a normal on-campus living/learning environment. The corresponding operating expenditures that support campus-based activities generally offset the elimination of one-time pandemic-related mitigation expenditures. Anticipated expenditures for utilities and all other services, supplies and materials are projected to increase \$1 million, or 0.4 percent.

**Capital Expenditures and Debt Principal Payments**—Included in this category are purchases of items such as equipment, furniture, and library materials, as well as land and building improvements that have a useful life that is depreciated over time. The System

budgets these expenditures on a cash basis, rather than budgeting depreciation. Please note: Commonwealth capital funding provided for projects listed in the System's Five-Year Capital Plan are not reflected in the System's revenue or expenses. Debt Principal Payments includes all university principal debt payments owed for outstanding System bonds associated with university-funded E&G facility projects. Combined capital and debt expenditures are projected to remain fairly level.

**Transfers to Plant Fund**—Although not a direct expenditure, transfers represent the institution's continued annual planned investment in its physical resources from its E&G operating budget to its plant fund, from which major multiyear capital projects (physical plant and major capitalized equipment) are managed, addressing deferred maintenance and life-cycle renewal. University transfers vary widely from year to year. FY 2021-22 projections reflect an overall increase in plant investment of \$7.2 million or 57 percent.

The requested appropriation of \$487.0 million, combined with other projected changes in the System's revenue and expenditures, results in a balanced E&G budget of \$1.6 billion. Notwithstanding the aggregate effect of creating a balanced budget, several universities will continue to face significant financial challenges. Although a modest net price adjustment to maintain current affordability levels has been incorporated into these projections, tuition rates for FY 2021-22 will not be addressed by the Board of Governors until spring 2021.

The Commonwealth needs post-secondary graduates to build its economy now and after the pandemic, and we invite the Commonwealth to join that effort. The State System to that end is requesting an Education and General (E&G) appropriation of \$487 million, a \$9.5 million, or 2 percent increase over FY 2020-21. It is also requesting a line item for System Redesign Investment of \$25 million to support the creation of a shared services consortium, development of new online pathways and collaborative academic programming, expansion of a shared information technology environment, and supporting the potential integration of System universities. This investment will reduce service redundancies, generate new revenue streams, and lead to significant cost savings



**Table 1**  
**Pennsylvania's State System of Higher Education**  
**Fiscal Year 2021-22 Educational and General Budget Requirements**  
 With Proposed E&G Appropriation Request  
 As of October 14, 2020

	Prior Year FY 2019-20	Current Year FY 2020-21	Percent Change	Request Year FY 2021-22	Percent Change	Future Year FY 2022-23	Percent Change
<b>Revenues</b>							
Tuition	\$837,306,797	\$803,358,078	-4.1%	\$823,864,639	2.6%	\$841,243,339	2.1%
Fees	201,691,524	194,905,986	-3.4%	210,714,531	8.1%	216,053,819	2.5%
State Appropriation	477,470,000	477,470,000	0.0%	<b>487,019,000</b>	<b>2.0%</b>	487,019,000	0.0%
All Other Revenue	86,381,652	107,569,292	24.5%	89,853,973	-16.5%	88,167,829	-1.9%
<b>Total Revenues</b>	<b>\$1,602,849,973</b>	<b>\$1,583,303,357</b>	<b>-1.2%</b>	<b>\$1,611,452,143</b>	<b>1.8%</b>	<b>\$1,632,483,987</b>	<b>1.3%</b>
<b>Expenditures</b>							
Compensation Summary:							
Salaries and Wages	\$844,369,535	\$836,233,934	-1.0%	\$800,111,111	-4.3%	\$818,989,569	2.4%
Benefits	401,900,366	394,171,312	-1.9%	384,801,083	-2.4%	397,581,217	3.3%
Subtotal, Compensation	\$1,246,269,901	\$1,230,405,246	-1.3%	\$1,184,912,194	-3.7%	\$1,216,570,786	2.7%
Student Financial Aid	71,628,201	83,919,066	17.2%	100,804,859	20.1%	105,485,303	4.6%
Other Services and Supplies	245,896,848	274,424,795	11.6%	275,445,043	0.4%	265,956,428	-3.4%
Subtotal, Services and Supplies	\$317,525,049	\$358,343,861	12.9%	\$376,249,902	5.0%	\$371,441,731	-1.3%
Capital Expenditures and Debt Principal Payments	29,327,538	30,477,101	3.9%	30,355,984	-0.4%	27,966,026	-7.9%
<b>Total Expenditures</b>	<b>\$1,593,122,488</b>	<b>\$1,619,226,209</b>	<b>1.6%</b>	<b>\$1,591,518,080</b>	<b>-1.7%</b>	<b>\$1,615,978,543</b>	<b>1.5%</b>
<b>Revenues Less Expenditures</b>	<b>\$9,727,485</b>	<b>(\$35,922,851)</b>		<b>\$19,934,064</b>		<b>\$16,505,444</b>	
<b>Transfers to Plant Fund</b>	<b>10,854,685</b>	<b>12,691,814</b>	<b>16.9%</b>	<b>19,934,064</b>	<b>57.1%</b>	<b>16,505,444</b>	<b>-17.2%</b>
<b>Expenditures and Transfers to Plant</b>	<b>\$1,603,977,173</b>	<b>\$1,631,918,023</b>	<b>1.7%</b>	<b>\$1,611,452,144</b>	<b>-1.3%</b>	<b>\$1,632,483,987</b>	<b>1.3%</b>
<b>Revenues Less Expenditures and Transfers</b>							
	<b>(\$1,127,200)</b>	<b>(\$48,614,665)</b>		<b>\$0</b>		<b>\$0</b>	
<b>Annualized FTE Enrollment</b>							
Undergraduate	76,109.96	74,351.56	-2.3%	74,401.97	0.1%	75,306.19	1.2%
Graduate	11,691.68	11,566.37	-1.1%	11,908.57	3.0%	12,104.65	1.6%
<b>Total Annualized FTE Enrollment</b>	<b>87,801.64</b>	<b>85,917.93</b>	<b>-2.1%</b>	<b>86,310.54</b>	<b>0.5%</b>	<b>87,410.84</b>	<b>1.3%</b>
<b>FTE of Budgeted E&amp;G Employees, Net of Turnover</b>							
Faculty	5,009.30	4,715.81	(293.49)	4,331.29	(384.52)	4,260.20	(71.09)
Nonfaculty	5,322.01	5,109.37	(212.65)	4,820.24	(289.12)	4,777.78	(42.46)
<b>Total FTE of Budgeted Employees</b>	<b>10,331.31</b>	<b>9,825.18</b>	<b>(506.14)</b>	<b>9,151.53</b>	<b>(673.65)</b>	<b>9,037.98</b>	<b>(113.55)</b>

**University Success Committee**

October 14, 2020

**SUBJECT:** Fiscal Year 2020/21 Capital Spending Plan and Capital Budget Authorization Request (**ACTION**)

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**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, totaling approximately \$70 million annually when adjusted for inflation, wherein the Board approves the execution of projects in the first year of the plan and tentatively approves the remaining four 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. Funding for the Capital Spending Plan is determined by the Governor.

**Capital Spending Plan**—Earlier this year, the universities provided input for the Capital Spending Plan in accordance with Board Policy 2000-02-A: *Capital Facilities Planning, Programming, and Funding*, and the procedures in Volume IV of the State System's *Facilities Manual*. Projects submitted were evaluated, prioritized, and compiled into the spending plan considering the following elements:

- University priority.
- Prior year position in the spending plan.
- Academic benefit.
- Space, ADA, safety, and code compliance deficiencies.
- New revenue or matching funds potential.
- Cost savings potential.
- Impact on the deferred maintenance backlog.

The funding distribution was also compared to the plant portion of the allocation formula to attempt to maintain equitable distribution.

**Capital Authorization Bill**—All projects in this spending plan were previously authorized by the General Assembly in capital itemization acts.

**MOTION:** That the Board approves the fiscal year 2020/21 Capital Spending Plan.

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**Supporting Documents Included:** Capital Spending Plan

**Other Supporting Documents Available:** University-submitted project justifications

**Reviewed by:** Executive Leadership Group, September 22, 2020, and Fiscal and Administrative Vice Presidents, September 9, 2020

**Prepared by:** Sharon Minnich

**Telephone:** (717) 720-4100

**DRAFT—Subject to Board of Governors Approval  
 Pennsylvania’s State System of Higher Education Capital  
 Spending Plan—Financial Summary**

Financial Summary in Current Year Dollars (\$000)							Historical Funding Analysis (\$000) <sup>1</sup> Not Including Cheyney		
University	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	Five-Year Total	Total Capital Funding FY1996/7 - FY2019/20	Over- or Underfunded Before Spending Plan <sup>2</sup>	Over- or Underfunded After Spending Plan <sup>3</sup>
Bloomsburg	\$2,000		\$3,000			\$5,000	\$116,324	4,438	(15,225)
California		\$39,900	3,500			43,400	89,357	(5,932)	16,733
Cheyney	4,000				\$15,000	19,000	196,240	--	--
Clarion			8,500			8,500	124,421	31,996	22,218
East Stroudsburg			1,500	\$5,600		7,100	116,034	24,876	10,125
Edinboro	2,600			13,700		16,300	109,757	9,907	6,613
Indiana			4,500	24,500		29,000	192,139	(6,452)	(19,662)
Kutztown		600	19,500		23,800	43,900	89,692	(25,940)	(7,683)
Lock Haven		1,600		20,500		22,100	87,977	9,725	15,427
Mansfield			24,000			24,000	63,116	(1,320)	9,517
Millersville		1,000			3,100	4,100	106,395	(797)	(20,864)
Shippensburg	44,000	4,800				48,800	94,044	(14,439)	11,561
Slippery Rock	18,100					18,100	100,841	(12,242)	(19,332)
West Chester		20,000	2,000		20,000	42,000	150,709	(13,819)	(9,429)
<b>Five-Year Total</b>	<b>\$70,700</b>	<b>\$67,900</b>	<b>\$66,500</b>	<b>\$64,300</b>	<b>\$61,900</b>	<b>\$331,300</b>	<b>\$1,637,044</b>	<b>(\$0)</b>	<b>(\$0)</b>

**Notes**

<sup>1</sup> Parentheses ( ) indicate underfunded.

<sup>2</sup> Compares funding received from FY1996/97 to FY 2019/20 to funding if distributed by the plant portion of the allocation formula.

<sup>3</sup> Compares funding received from FY1996/97 to FY 2024/25 to funding if distributed by the plant portion of the allocation formula.

Annual totals add to less than annual allocation to allow for future adjustments and inflation. Numbers may not add due to rounding.

**DRAFT—Subject to Board of Governors Approval  
Project Execution Schedule**

Execution Year	University	Project Description	Facility Use	Original Furniture and Equipment	Authorization Act	Total Authorization (\$000)	University Funds (\$000)	Commonwealth Capital Funding (Current Year \$000)
2020/21	Bloomsburg	McCormick Center Renovation	General Education	OF&E	85/13	\$2,500	—	\$2,000
	Cheyney	Cope Hall Renovation/Addition	Athletics	OF&E	85/13	5,000	—	4,000
	Edinboro	B.F. Library Addition and Renovation (Additional Funds)	Libraries	—	52/17	14,000	—	2,600
	Shippensburg	Franklin Science Center Renovation (Construction)	Science and Technology	—	82/10, 85/13, 52/17	75,000	—	44,000
	Slippery Rock	Electrical Infrastructure Upgrade	Infrastructure	—	52/17, 36/20	25,000	—	18,100
<b>2020/21 Total</b>								<b>\$70,700</b>
2021/22	California	Replace Science Building (Construction)	Science and Technology	—	40/04, 52/17	65,093	—	38,200
		Utility Plant Boiler Upgrade	Infrastructure	—	36/20	22,000	—	1,700
	Kutztown	Poplar House Renovation/Addition	Business Education	OF&E	52/17	600	—	600
	Lock Haven	Robinson Learning Center	General Education	OF&E	52/17	2,000	—	1,600
	Millersville	Stayer (Jefferson Hall) Building Renovation	Athletics	OF&E	82/10	1,000	—	1,000
	Shippensburg	Franklin Science Center Renovation	Science and Technology	OF&E	52/17	9,000	—	4,800
	West Chester	FH Green Library Renovation	Libraries	—	40/04, 52/17	50,400	—	20,000
<b>2021/22 Total</b>								<b>\$67,900</b>
2022/23	Bloomsburg	Demolition of Underutilized and Obsolete Buildings	General Education	—	52/17	7,000	—	3,000
	California	Replace Science Building	Science and Technology	OF&E	52/17	5,000	—	3,500
	Clarion	Deferred Maintenance Repairs	Infrastructure	—	82/10	10,000	—	8,500
	East Stroudsburg	Demolition of Underutilized and Obsolete Buildings	General Education	—	52/17	8,000	—	1,500
	Indiana	Deferred Maintenance Repairs (HVAC Upgrade Various Buildings)	Infrastructure	—	82/10	4,500	—	4,500
	Kutztown	Educational Building (Lytle Hall) Replacement	Mixed Usage	—	41/08	30,000	\$6,500	19,500
	Mansfield	Campus Utility Infrastructure	Infrastructure	—	85/13, 52/17	25,000	—	24,000
	West Chester	FH Green Library Renovation	Libraries	OF&E	131/02	1,855	—	2,000
<b>2022/23 Total</b>								<b>\$66,500</b>
2023/24	East Stroudsburg	Renovate Kemp Library	Libraries	—	85/13	45,000	—	5,600
	Edinboro	Hamilton Hall Renovation	Arts and Music	—	22/00	5,550	—	13,700
	Indiana	Academic Building Replacement	General Education	—	36/20	50,000	—	24,500
	Lock Haven	Stevenson Library Renovation	Libraries	—	52/17	30,000	—	20,500
<b>2023/24 Total</b>								<b>\$64,300</b>
2024/25	Cheyney	Ada Georges Dining Hall Renovation (Deferred Maintenance and Capital Renewal)	Mixed Usage	—	36/20	19,000	—	15,000
	Kutztown	Keystone Hall/Fieldhouse Upgrade	Athletics	—	40/04, 41/08, 82/17	29,034	—	22,100
		Educational Building (Lytle Hall) Replacement	General Education	OF&E	85/13	3,000	—	1,700
	Millersville	Replace Science Center (Design)	Science and Technology	—	36/20	60,000	3,000	3,100
West Chester	Lawrence Hall Renovation	Administration	—	131/02, 52/17	31,387	—	20,000	
<b>2024/25 Total</b>								<b>\$61,900</b>
<b>Grand Total</b>								<b>\$331,300</b>

**Board of Governors Meeting**  
October 15, 2020

**SUBJECT:** Ratification of Memorandum of Understanding (SPFPA) **(ACTION)**

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**UNIVERSITIES AFFECTED:** All

**BACKGROUND:** The State System has concluded meet and discuss concerning a successor memorandum of understanding with the International Union, Security, Police and Fire Professionals of America (SPFPA which represents the police and security supervisors. Implementation of the memorandum is dependent upon approval by the Board of Governors.

**MOTION:** That the Board ratifies the Memorandum of Understanding with the International Union, Security, Police and Fire Professionals of America and authorizes the Chancellor and the Chairwoman of the Board to execute the appropriate documents.

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**Supporting Documents Included:** (1) SPFPA Memorandum of Understanding Summary

**Other Supporting Documents Available:** N/A

**Prepared by:** Andrew C. Lehman

**Telephone:** 717-720-4030

**Summary of Major Provisions of the Memorandum of Understanding  
Between**

**Pennsylvania's State System of Higher Education (State System) and International  
Union, Security, Police, and Fire Professionals of America (SPFPA)**

**Term of Understanding**

September 1, 2020 to August 31, 2022

**Salaries and Wages**

**Police Supervisors**

First full pay period in April 2021	Step Increment
First full pay period in April 2022	Step Increment

Employees at the top of the salary schedule receive a cash payment of 5.0% in lieu of the step increment.

Employees must be continuously employed since April 30 of the prior year to be eligible for each step increment.

**Security Officers 2**

March 1, 2021	2.0% General Pay Increase
First full pay period in April 2021	Step Increment
March 1, 2022	2.5% General Pay Increase
First full pay period in April 2022	Step Increment

Employees at the top of the salary schedule receive a cash payment of 2.25% in lieu of the step increment.

Employees must be continuously employed since April 30 of the prior year to be eligible for each step increment.

**Leaves of Absence Without Pay, Parental Leave, Health Benefits, and Family Care Leave**

Incorporated the December 6, 2019 side letter between the parties that was executed to align the leave provisions to a Department of Labor opinion letter regarding FMLA leave.

**Union Security and Dues Deduction**

Deleted references to fair share.

**Board of Governors Meeting**  
October 14, 2020

**SUBJECT:** Affirmation of University Operational Framework (**ACTION**)

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**UNIVERSITIES AFFECTED:** All

**BACKGROUND:** In June 2020, the Board of Governors endorsed the creation of the Fall Framework, which was used by all 14 State System universities as they prepared for operations in the fall of 2020. Those plans were developed by each university working in consultation with key local constituencies and by sharing insights with one another.

The Framework was developed by the Office of the Chancellor with input from the university presidents and other leaders as well as input from stakeholders such as union leadership. It was intentionally designed to provide flexibility for universities to respond and plan locally while doing so in a coordinated fashion that meets system wide standards.

The document requires all university plans to support all students' progress towards their credentials or degrees while mitigating health and safety risks that exist for students, employees, and their host communities. Plans must also adhere to health and safety standards provided by federal and state agencies and comply with guidelines from the Pennsylvania Department of Education.

In preparation for the spring semester and beyond, the Framework has been updated to reflect current guidance and will remain in place until such time it is no longer needed.

**MOTION:** That the Board hereby endorses the extension of the State System's updated University Operational Framework and affirm its use by all 14 institutions within the State System. The Board further affirms the Chancellor's authority to modify the framework as needed to enable the State System and its constituent institutions to nimbly respond to the evolving circumstances in a timely manner.

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**Supporting Documents Included:** University Operational Framework

**Other Supporting Documents Available:** N/A

**Reviewed by:** University presidents; Legal counsel

**Prepared by:** Andrew C. Lehman

**Telephone:** (717) 720-4100



# University Operational Framework

Note: This is a working document that is updated as needed

## Background

This document summarizes the State System's approach to engaging in face-to-face instruction during the ongoing COVID-19 pandemic. The State System and its institutions continue to learn from each other and collaborate as a system, sharing knowledge gained and engaging in on-going reviews of each other's plans and ideas. As with the Fall 2020 semester, the universities' operational plans are expected to differ in ways that reflect the institutions' unique local circumstances and the particular needs of the students and communities they serve.

This Framework has been developed by the Office of the Chancellor with input from the university presidents and other leaders as well as input from stakeholders such as union leadership. This is a living document that may be updated as needed to respond to changing circumstances. The Framework is intentionally designed to provide flexibility for universities to plan locally while doing so in a coordinated fashion that meets systemwide standards.

## Overview

University presidents will determine whether, how, and to what extent their universities will engage in face-to-face instruction. University plans for operations will be maintained publicly on each university's website. The universities have been provided a common outline to follow for presenting their plans online so that there is consistency across the State System.

University plans and related implementation details will be developed by university presidents in consultation with local stakeholders including faculty and staff. State System universities' plans will differ in ways that reflect local institutional needs; despite differences, the plans of every State System university will:

- Support all students' progress towards their degrees while mitigating health and safety risks that exists for students, employees, and our host communities;
- Adhere to health and safety standards provided by federal and state agencies, and follow guidelines from the Pennsylvania Department of Education;
- Include contingency plans for alternate modes of operation should the pandemic evolve in such a way to require it; and



- Comply with the State System’s collective bargaining agreements and its academic, operational, and organizational policies, procedures, and standards. They will also comply with any new guidelines that are developed in consultation with the universities to take account of unique circumstances occasioned by the pandemic.

## System-specific Guidance

While the Framework requires State System institutions to follow the guidance provided by state and federal agencies, it also provides the following system-specific guidance that has been developed to complement the state and federal guidance:

## REQUIREMENTS:

### 1. Implementation of critical health and safety measures

Under this Framework, the State System universities are updating their plans for engaging in face-to-face instruction based upon the following mutual responsibilities:

- Of universities to produce and implement a plan for engaging face-to-face instruction that adheres to relevant federal, state, and State System guidelines; and
- Of students, employees, and visitors to adopt behaviors recommended by the above guidelines as a means of mitigating spread of infection.

With this approach, the State System universities seek to:

- Enable students to continue in their progress;
- Mitigate risk for our institutions by following federal and state guidelines;
- Be respectful of employee concerns;
- Provide consistency in practice—where possible given university facility and resource constraints—in meeting university operational needs; and
- Comply with all legal requirements.

Students, employees, and visitors must help to mitigate infection and spread of COVID19 by observing the following rules of conduct that should be considered work rules or directives for employees and standards of conduct for students. Visitors and guests not complying with university rules, may be asked to leave campus. Enforcement of requirements will be accomplished according to university-developed protocol(s) in alignment with collective bargaining agreements and student codes of conduct.

### 2. All individuals must adhere to the following health and safety rules

- Follow university guidance regarding wearing face coverings in all buildings, public shared spaces on campus, and in areas where social distancing cannot be observed, or as otherwise directed by university administration. Individuals unable to wear face coverings due to a documented health condition or disability must request an exception to this requirement as directed by university administration;
- Observe social distancing guidance such as tape on floors or sidewalks and practice social distancing wherever possible, including when using bathrooms, showers, and locker room facilities; and

- Not congregate in communal areas or gather on campus in groups that exceed official local, state, or federal guidance for non-instructional activities.

### 3. Students and employees must follow published protocols for reporting exposures, cases, and outbreaks of COVID-19 on campus

#### *For individuals exhibiting symptoms:*

- Must not report to work; class; clinical assignments; or attend or participate in institution-sponsored activities or events;
- Must not enter campus buildings except for students who shall only enter campus buildings that are designated as their place of isolation (e.g. residence hall);
- Are expected to self-isolate in accordance with current state and federal guidance;
- Are expected to self-report symptoms and exposure to the appropriate health agency and university personnel; and
- Are advised to consult with their medical provider about options for testing and necessary treatment.

#### *For individuals who may have been exposed to COVID-19*

- Report if you have visited an area of high prevalence (domestic or international) in the previous 14 days;
- Report if you know you have been exposed to anyone, within the previous 14 days, who has tested positive for COVID-19; and
- Self-quarantine in accordance with current state and federal guidance.

### 4. Requirements of employees

Where, when, and through which modality employees perform their duties is at the discretion of the university president or appropriate designee, unless otherwise set forth in applicable collective bargaining agreements or policy. Any request for a departure from the assigned work function, schedule, location or modality may be considered only when the procedures below are followed:

1. Faculty and staff who wish to seek an accommodation or a modification of their current accommodation under the Americans with Disabilities Act (ADA) are directed to submit their request to Human Resources. Employees are urged to contact Human Resources as soon as possible. As required by the ADA, if a medical condition is deemed a disability as defined under ADA, then a reasonable accommodation, if available, should be provided.

Faculty and staff who do not have a disability as defined under the ADA may seek a flexible work arrangement if the employee is at high risk for severe illness from COVID-19 as defined by CDC guidance.

- a. Faculty and staff are directed to submit a request for a flexible work arrangement to Human Resources by a date determined by the university.
- b. Human Resources will validate requests in writing for flexible work arrangements, which shall include review of relevant medical and/or other relevant documentation to be submitted by the employee.

- c. Human Resources will send validated requests for flexible work arrangements to designated university official(s) to determine the impact on the university's operational capabilities and whether a flexible work arrangement in duties, schedule, location or modality will be granted.
2. If a flexible work arrangement is not granted under 1 above, the regular leave rule shall apply. Accordingly, faculty or staff may request a leave option or options as provided in the relevant collective bargaining agreement/memorandum of understanding, or university/system policy

For faculty, none of the above shall preclude the requests for flexibility in time, location, and/or modality of alternate workload and/or teaching assignment that are typically made based on academic considerations and preference and not on disability or other health considerations. Such requests will be made and considered in the usual interactive manner with department chairs and deans. If faculty preference does not align with the plans or schedule, per Article VI.A. of the faculty collective bargaining agreement the dean makes the final decision about allowances within the operational needs of the university, but there is no obligation to change the delivery method of the faculty member's course(s).

## 5. Requirements of all visitors to campus

All visitors and guests must comply with the following rules. Noncompliance may result in being asked to leave and/or being barred from all campus grounds and facilities:

- Follow university guidance regarding wearing face coverings in all buildings, public shared spaces on campus, or in areas where social distancing cannot be observed, or as otherwise directed by university administration. Individuals unable to wear face coverings due to a documented health condition or disability must request an accommodation as directed by university administration;
- Observe social distancing guidance such as tape on floors or sidewalks and practice social distancing wherever possible, including when using bathroom, shower, and locker room facilities;
- Follow university guidance regarding access to residence halls;
- Do not congregate in communal areas or gather in groups exceeding official local, state, or federal guidance for non-instructional activities;
- Visitors exhibiting symptoms are not permitted on campus for any reason; and
- Visitors who have been exposed or have visited an area of high prevalence (domestic or international) in the previous 14 days are not allowed on campus.

## RECOMMENDATIONS:

### 1. Recommendations for students

- Be familiar with all of the university's COVID-19 protocols and requirements and attend mandatory trainings if required by the university;
- Use *remote* methods to host student group events, gatherings, or meetings, to the extent possible;
- Utilize student service offices by appointment only (e.g., financial aid, registrar, etc.) for non-emergency issues;
- Limit visitors entering on-campus living quarters, as directed by university administration; and
- Follow published protocols for in-person counseling and healthcare visits and utilize telehealth services when possible.

### 2. Recommendations for students and employees

- Practice recommended protocols for hygiene, hand washing, use of hand sanitizer, and social distancing, per CDC guidance;
- Abide by federal, state and local COVID-19 mitigation guidance and orders regarding congregation sizes;
- Utilize alternative methods of contact such as email, chat, and telephone;
- Limit non-essential staff and visitors in living quarters on campus, as directed by university administration;
- Avoid non-essential (non-university) travel; and
- Take breaks from watching, reading, or listening to news stories, including social media, when feeling overwhelmed.

### 3. Recommendation for managing non-essential business-related travel

All university-sponsored international or out-of-state travel for students, faculty, or staff should be curtailed unless approved by the university president (or designee). The university's standard processes for travel authorization should require the signature of the president (or designee) for travel to be authorized.

- Travel within Pennsylvania should be done with caution and awareness of the pandemic conditions at the planned destination and in the communities en route to the destination;
- Guidance from the Centers for Disease Control and the Commonwealth should be followed when travelling; and
- If an approved traveler is exposed to COVID-19 while participating in university-sponsored travel, the traveler must follow the self-isolation protocols established by the university upon return.

**Governance and Leadership Committee Meeting**  
October 15, 2020

**SUBJECT:** Student Trustee Appointment (**ACTION**)

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**UNIVERSITIES AFFECTED:** Cheyney University of Pennsylvania

**BACKGROUND:** Act 50 of 2020 empowers the Board of Governors to make the appointment of students to serve on the Councils of Trustees for the 14 universities with the State System. Prior to this law being enacted, the appointment was made by the Governor, whose office is responsible for thousands of other public appointments.

For years, the universities have utilized a thorough and inclusive recruiting process to identify and vet potential candidates in order to make a recommendation for appointment. The robust nature of the local process has been retained and has been updated to reflect that the final appointment action will be taken by the Board of Governors rather than the Governor.

Based on input from Cheyney University and the Office of the Chancellor, the appointment of Kiyanna T. Roberts is hereby recommended.

**MOTION:** That the Board hereby appoints Kiyanna T. Roberts to the Council of Trustees at Cheyney University of Pennsylvania.

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**Supporting Documents Included:** Resume of candidate; Letter of support

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

**Reviewed by:** Cheyney University; Office of the Chancellor

**Prepared by:** Randy A. Goin Jr.

**Telephone:** (717) 720-4100



Cheyney University of Pennsylvania  
1837 University Circle  
P.O. Box 200  
Cheyney, PA 19319-0200  
Office (610) 399-2220  
Fax (610) 399-2415

Office of the President

September 3, 2020

Mr. Daniel Greenstein Chancellor  
Pennsylvania State System of Higher Education  
Dixon University Center  
2986 North Second Street  
Harrisburg, PA 17110

Dear Chancellor Greenstein:

It is my honor to submit to you the recommendation of Ms. Kiyana Roberts for the position of Student Trustee to serve on the Cheyney University Council of Trustees.

Kiyana is a very active, dedicated and respected student. She has distinguished herself by maintaining a high level of academic performance while providing outstanding leadership through key roles in several on campus boards and organizations. She also represents the university as the reigning Miss Cheyney for 2019-2020. Kiyana's personal achievements and pre-professional accomplishments during her tenure at Cheyney University have earned her several honors and distinctions.

A member of the Keystone Honors Academy, Kiyana has earned a reputation among the faculty and student body as a student with exceptionally high standards and self-expectations. Her academic performance is reliably strong both within her major, as well as in the diverse courses she has explored across the curriculum. Kiyana has been recognized as a member of *The Talented Tenth*- an accolade reserved for students with 3.5 or higher GPAs and outstanding community engagement.

I highly recommend Kiyana Roberts to serve on the Cheyney University Council of Trustees.

Sincerely,

Aaron A. Walton  
President



# Kiyana T. Roberts

## EDUCATION

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**Cheyney University of Pennsylvania**, *Expected May 2021*

*Cheyney, PA*

*Bachelor of Science in Hospitality Management*

*Minor in Recreation and Leisure Management*

*GPA: 3.8/ 4.0*

**Relevant Coursework:** *Principles of Accounting I, Intro to Management, Intro to Service Management, Managing Hotel Operations, Hospitality Law, Hospitality Purchasing, Hospitality Financial Management, Hospitality Sales & Marketing*

## SKILLS AND SOFTWARE PROFICIENCIES

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*Microsoft Office • G- Suite • Zoom • Critical Thinking • Public Speaking • Data Presentation • Project Management*

## WORK & LEADERSHIP EXPERIENCE

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*Summer 2020*

**Urban League of Philadelphia/ Trizen**

*Philadelphia, PA*

**Intern (Virtual)**

*Assisted and coordinated a college and career-ready program for over 50 graduated high school students.*

- Guided team of staff to develop developmental programs and opportunities, which gained recognition from higher headquarters.
- Proficiently utilized the G-Suite to conduct meetings, input daily data, and prepare assignments.
- Presented educational modules to students regarding college and future careers.
- Maintained ongoing, clear communication and follow-up with students and program director.

*Fall 2019*

**Desmond Malvern, a DoubleTree by Hilton**

*Malvern, PA*

**Front Desk Agent**

*Handled front desk operations for 100 guests and 195 rooms per day at a full-service Hilton property.*

- Proficiently utilized the On-Q system to prepare, organize, secure, and maintain all confidential files and audit records.
- Handled the check-ins/outs, while being responsible for a personal bank up to \$300.
- Accurately responded to all phone calls and e-mails received involving billing issues, past stays, and folio inquires.
- Provided guest services by solving problems, satisfying requests, operating phone console, organizing arrival and departure bills, and reservations.

*Spring 2018*

**Cheyney University Office of Admissions**

*Cheyney, PA*

**Admissions Assistant**

*Student assistant involved in the enrollment at Cheyney University by handling enrollment tasks and providing support to prospective students.*

- Evaluated credentials for Admissions, by administering the policies and procedures for student admissions, including, evaluation of transcripts, test scores, recommendations, etc.
- Created and distributed weekly tour guide schedule as required by the Associate Director of Admissions.
- Established contact with potential students through outbound and inbound communications.
- Delegated tasks to 20 student tour guide leaders, conducting tour guide training, scheduling tours, and tracking volunteer hours.

## ACTIVITIES & HONORS

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Dean's List • Cheyney University Humphrey's Scholar • 47th Miss Cheyney University • Keystone Honors Council Secretary • NSMH Chapter President • NSMH Northeast Regional Chair • NSMH Vice Chair • SGA Marketing Director • 2020 White House HBCU Competitiveness Scholar

**Board of Governors**

October 15, 2020

**SUBJECT:** Faculty Shared Governance Commission recommendations (**ACTION**)

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**UNIVERSITIES AFFECTED:** All

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

Since then, the Board has received regular progress reports from Commission Chair Don Houser, who will present the final recommendations of the Commission.

**MOTION:** That the Board hereby approves the recommendations of the Faculty Shared Governance Commission and authorizes the Office of the Chancellor to take all necessary steps to operationalize the permanent Faculty Council.

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**Supporting Documents Included:** Recommendations

**Other Supporting Documents Available:** [www.passhe.edu/SharedGovernance](http://www.passhe.edu/SharedGovernance)

**Reviewed by:** Public Review, Faculty Shared Gov. Commission

**Prepared by:** Randy A. Goin Jr,

**Telephone:** (717) 720-4100





# Commission on Faculty Shared Governance

## Recommendations

(As of October 9, 2020)

### SECTION 1: Background

As part of ongoing System Redesign efforts, the Chair of the Board of Governors, Cindy Shapira, established a commission to enhance the System's governance and accountability by integrating faculty into the shared governance model at the system level. The Commission membership represents faculty, administration, the faculty union, board members, and trustees.

#### Commission Membership

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

The Commission has been tasked with making recommendations that will strengthen shared governance at the system level by developing a faculty shared governance body that participates in meaningful consultation on system-level strategy planning, budgeting, policies, and other matters as may be deemed appropriate. While the Commission has been focused on the faculty's role in system-level shared governance, these recommendations do not preclude an expansion of these efforts to potentially include other perspectives in the future.

#### The Commission's specific activities have included:

- Actively engaging faculty, union leadership, administrators, trustees, and board members in a dialog to foster shared understanding of the purpose and scope of faculty shared governance in the State System;

- Learning from the current state of faculty shared governance as it is practiced both at system and university levels;
- Learning from the current state of faculty shared governance at other university and college systems, focusing especially on those where faculty are organized by collective bargaining units;
- Maintaining a commitment to transparency and frequent communications among stakeholders; and
- Offering quarterly reports to the Board of Governors, leading to a proposed model and set of recommendations addressing systemwide faculty shared governance.

The Commission has developed [guiding principles](#) (shown below) for faculty shared governance to inform the design, structure, and implementation of a system-level faculty shared governance body. The Commission also identified a [matrix of issues](#) on which a system-level faculty council might engage to better inform decision making—being mindful not to infringe on the roles and responsibilities of the faculty union, management, or campus-level faculty shared governance. The [guiding principles](#) and [matrix of issues](#) were posted online in March 2020 for review by faculty and administration (available [here](#)).

## Guiding Principles

Effective system-level shared governance between faculty and administration:

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

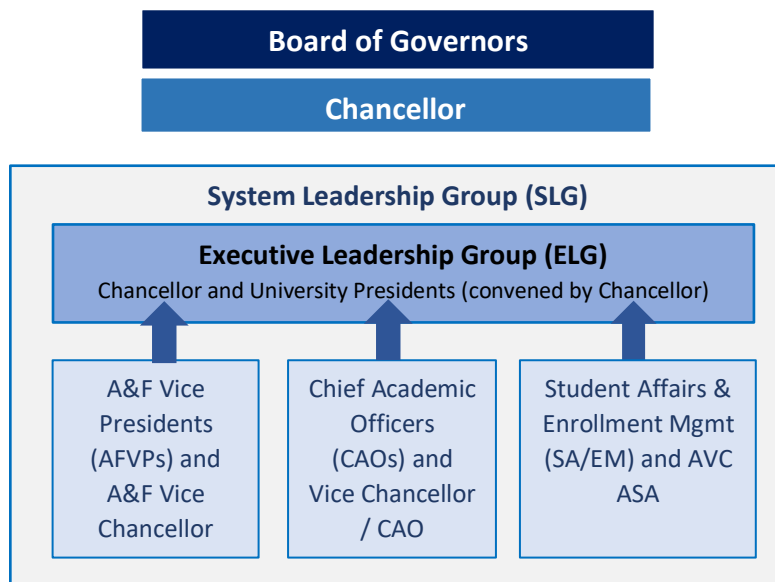
## SECTION 2: The Current State of System-level Shared Governance

Shortly after arriving at the State System, Chancellor Dan Greenstein created the *System Leadership Group* (SLG) in order to leverage the existing knowledge and infrastructure of administrative leaders across the System. Working with the Chancellor and designated senior staff, the SLG includes the Executive Leadership Group (ELG)—comprising the Chancellor and 14 University Presidents—who are supported by three advisory councils:

- 1) Administration and Finance Vice Presidents;
- 2) Chief Academic Officers; and
- 3) Leaders in Student Affairs and Enrollment Management.

The SLG and each component part—the ELG and three councils—convene regularly with their counterparts in the Office of the Chancellor to provide for mutually beneficial collaboration, effective communication, and informed system-level recommendations for the Chancellor and, ultimately, the Board of Governors. Trustees are represented in the System’s shared governance framework by the PA Association of Councils of Trustees (PACT), which has a voice at quarterly Board of Governors meetings.

Diagram A: System Leadership Group



NOTE: The SLG structure does not modify the role of Trustees, either at the campus level or in their representation by PACT

## SECTION 3: Draft Model Framework

Based on dialogue with stakeholder groups and among commissioners—and informed by faculty shared governance models from around the nation—the Commission has recognized that there is no single, perfect shared governance model for system-level faculty shared governance. Any faculty shared governance solution will be tailored to the practices and policies of the State System.

The State System thus has the distinct advantage of creating system-level faculty shared governance *ex nihilo*. The Board of Governors has made strides in this direction by establishing the [Interim Faculty Council](#) and adding a non-voting faculty liaison. The Board of Governors is, moreover, committed to a

permanent structure for faculty consultation at the system level, beyond what exists for issues related to collective bargaining.

The Commission is proposing that a permanent **Faculty Council** be formed that will:

- Operate as an advisory body to the Chancellor, the System Leadership Group (and ELG), and to the Board of Governors (through the faculty liaison) to provide access to the perspectives, insights, and expertise of the faculty;
- Engage in strategic conversations not only for discussion of issues pertaining to academics, budget and planning, and students, but also to gather information that will help inform decisions affecting the general welfare of the System; and
- Develop and maintain a system-wide communications network to provide for efficient transmission of relevant information to and from faculty.

## SECTION 3A: Recommendations for Roles & Responsibilities of the Faculty Council

- 3A.1 Establish a charter for the Council that reflects the [guiding principles](#) set forth by this Commission and the shared values articulated in the charters for the other ELG and SLG councils.
- 3A.1.1 The charter would address the general operations of the Council including but not limited to member elections and terms, term limits, and meeting frequency.
- 3A.1.2 The currently seated IFC would develop the charter for the permanent Council using a process the IFC determines and then would submit the draft charter to the Chancellor and Board Chair for approval.
- 3A.2 Elect a faculty liaison to the Board of Governors and determine term of office. The Board of Governors should make every effort to seek statutory changes to allow the faculty representative to be a full voting member.
- 3A.3 Provide guidance and input on system-level policy and issues for consideration by the System Leadership Group (and ELG), the Chancellor, and the Board of Governors while respecting university-level shared governance/processes and existing shared governance roles.
- 3A.4 Members would serve as conduits to their respective university faculty to disseminate and discuss issues of concern and provide an important two-way communication role for faculty—supporting timely and proactive input regarding system-level issues.

## SECTION 3B: Recommendations for Composition and Structure of the Faculty Council

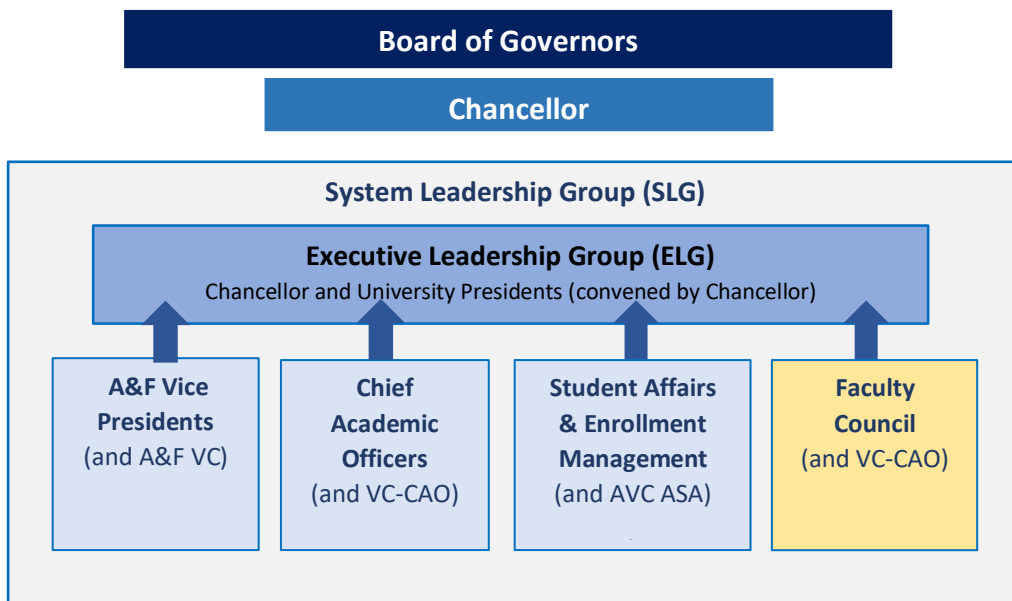
- 3B.1 Every university would be equally represented on the Council with one member and one alternate.
- 3B.2 Council members would be elected from each university by a process determined on each campus and guided by the Council's charter.

- 3B.3 Members could be divided into advisory sub-groups/committees—as deemed necessary by the Council—to help focus discussions aligned to areas based on the [matrix of issues](#) developed by the Commission.
- 3B.4 The Chancellor would designate no more than three senior leaders from the Office of the Chancellor to serve as non-voting, ex-officio members of the Council to foster ongoing engagement on issues and provide contextual information in real time, as they do for other SLG groups. The Council may also request to meet with other system staff and/or meet without any system staff on occasion.

### SECTION 3C: Recommendations on Structural Alignment:

In order to promote timely, open, and continual dialogue across the sectors of leadership at the system level, the Commission recommends that the Council be incorporated into the SLG. This relationship allows for the faculty voice to be included at the system level through dialog with the 1) Administration and Finance Vice Presidents, 2) Chief Academic Officers, and 3) leaders in Student Affairs and Enrollment Management in advising the Chancellor and 14 university Presidents on system-level matters. The Council’s engagement within the SLG would be structured to prevent conflicts of interest. Additionally, the Council’s perspective on system-level issues would be conveyed to the Board of Governors through the faculty liaison to the Board, who would be selected by the Council.

**Diagram B: Proposed Addition to the System Leadership Group**



## SECTION 4: Additional Recommendations

- 4.1 Once codified in Board of Governors policy, the faculty shared governance model will be periodically reviewed by the Board—especially in the early years—to evaluate the efficacy of its structure and operation and to make modifications as needed in order to foster faculty shared governance at the system level.
- 4.2 Until such time that the the faculty representative to the Board of Governors is statutorily created, the role of the Faculty Liaison to the Board of Governors should be codified in policy to allow the liaison to be included in all meetings except when a clear conflict of interest is identified by the Chair of the Board of Governors.

## Conclusion

The Commission believes inclusive, collaborative shared governance must be nurtured at every level of Pennsylvania’s State System of Higher Education, which is at the core of its recommendation to create a systemwide faculty council. As stated in Guiding Principle #1, shared governance requires an investment of time to build relationships that foster mutual accountability, respect, and trust. And while the Commission’s focus has been on advancing shared governance at the system level, it acknowledges the importance of constant vigilance in promoting robust shared governance at every level.

This document represents the work of the Commission, which comprises a cross section of faculty members, administrators, and university and system leaders. In doing its work over the past year, the Commissioners have received input from others within their respective stakeholder groups and this document was made available to all State System employees for public review/comment between August 28 – October 7, 2020 in order to develop these recommendations and prepare this draft document for consideration by the Board of Governors.

**Board of Governors Meeting**  
October 15, 2020

**SUBJECT:** Preliminary Strategy for Diversity, Equity, and Inclusion (**INFORMATION**)

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**UNIVERSITIES AFFECTED:** All

**BACKGROUND:** The State System and its universities are committed to cultivating diverse, equitable, and inclusive environments that allow all members of the State System community to thrive. The Office of Diversity, Equity, and Inclusion (DEI) was established in August 2020 to engage institutional and system leaders to develop, implement, and evaluate outcomes-based strategies that address inequities in all areas including but not limited to student access and achievement; faculty and staff recruitment and development; and campus receptivity. Guided by the Vice Chancellor of DEI, the work will be grounded in, will build upon, and will elevate the promising initiatives and thought leadership already occurring across the universities.

Dr. Denise Pearson was hired as the State System's Vice Chancellor and Chief DEI Officer, and will present for discussion a preliminary strategy for fostering diversity, equity, and inclusion within the State System.

Chairwoman Cindy Shapira will introduce her intention to establish a Board commission to recommend a framework for the Board's ongoing role in fostering diversity, equity, and inclusion at the System level.

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**Supporting Documents Included:** N/A

**Other Supporting Documents Available:** [DEI website](#)

**Reviewed by:** Office of the Chancellor

**Prepared by:** Denise Pearson

**Telephone:** (717) 720-4000