



Board of Governors' Quarterly Meeting Agenda

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

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

Thursday, October 11, 2012
9:00 a.m.

Agenda

Call to Order and Roll Call of the Members

Pledge of Allegiance

Approval of the Minutes of the June 27, 2012, June 28, 2012, and July 9, 2012 Meetings

Remarks of the Chair Chairman Guido M. Pichini

Report of the Chancellor Dr. John C. Cavanaugh

Public Comments

Committee Items with Related Actions

A. Academic and Student Affairs Mr. Aaron A. Walton

1. Approval of a Master of Arts Degree in Professional and New Media Writing at East Stroudsburg University of Pennsylvania (ACTION)
2. Approval of a Master of Fine Arts Degree in Communication Design at Kutztown University of Pennsylvania (ACTION)

Academic and Student Affairs (continued)

- 3. Approval of the Revised Five-Year Budget Projection and Budget Narrative for Bachelor of Science Degree in Mechatronics Engineering Technology at California University of Pennsylvania (ACTION)
- 4. PASSHE Universities Enrollment for Fall 2012 (INFORMATION)
- 5. LYME-AID Presentation, East Stroudsburg University of Pennsylvania (INFORMATION)
- 6. Dr. Martin Tzolov and Lock Haven University of Pennsylvania – U.S. Patent and Trademark Office (INFORMATION)
- 7. Presentation of Veterans' Programs, Shippensburg University of Pennsylvania (INFORMATION)

B. External Relations Mr. Jonathan B. Mack

- 1. Advocacy Update (INFORMATION)
- 2. Legislative Update (INFORMATION)
- 3. Higher Education Modernization Act (HEMA) Update (INFORMATION)

C. Finance, Administration, and Facilities Mr. C.R. "Chuck" Pennoni

- 1. Educational and General Operating Budgets for Pennsylvania State System of Higher Education (PASSHE) Entities (ACTION)
- 2. Fiscal Year 2013/14 Appropriation Request (ACTION)
- 3. Revisions to Board of Governors' Policy 1985-04-A: *University External Financial Support* (ACTION)
- 4. Parking Construction, East Stroudsburg University of Pennsylvania (ACTION)
- 5. Athletic Field Improvements, Mansfield University of Pennsylvania (ACTION)

D. Human Resources Mr. Aaron A. Walton

- 1. Office of Professional Employees International Union (OPEIU) Healthcare Pennsylvania Collective Bargaining Agreement (ACTION)
- 2. Board of Governors' Policy 1983-14-A: *Appointment of Interim and Acting Chief Executive Officers* (ACTION)

E. Executive Chairman Guido M. Pichini

- 1. PASSHE Strategic Plan (INFORMATION)

Board Action Chairman Guido M. Pichini

- 1. Approval of Meeting Dates (ACTION)

Other Business Chairman Guido M. Pichini

Announcements

Adjournment



Board Members: Guido M. Pichini (*Chair*), Representative Matthew E. Baker, Jennifer G. Branstetter (designee for Governor Thomas W. Corbett), Marie A. Conley (*Vice Chair*), Governor Thomas W. Corbett, Representative Michael K. Hanna, Ronald G. Henry, Kenneth M. Jarin, Bonnie L. Keener, Jonathan B. Mack, Joseph F. McGinn, C.R. "Chuck" Pennoni, Senator Jeffrey E. Piccola, Harold C. Shields, Robert S. Taylor, Secretary Ronald J. Tomalis, Aaron A. Walton (*Vice Chair*), and Senator John T. Yudichak.

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



Academic and Student Affairs Committee Meeting

Boardroom, First Floor
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Thursday, October 11, 2012

Agenda

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Committee Members: Aaron A. Walton (*Chair*), Representative Matthew E. Baker, Senator Jeffrey E. Piccola, Secretary Ronald J. Tomalis, and Guido M. Pichini (*ex officio*).

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

Academic and Student Affairs Committee Meeting

October 11, 2012

SUBJECT: Approval of a Master of Arts Degree in Professional and New Media Writing at East Stroudsburg University of Pennsylvania (ACTION)

UNIVERSITIES AFFECTED: East Stroudsburg University of Pennsylvania

BACKGROUND: East Stroudsburg University of Pennsylvania proposes a Master of Arts Degree in Professional and New Media Writing that is designed to offer advanced training and education in written and new media communication aimed at corporate, government, and nonprofit clientele. The program is designed to produce graduates with critical skills needed for professional new media writing positions in demand in corporate, government, and nonprofit sectors across a wide range of industries in the Commonwealth. The targeted industries include publishing, healthcare, pharmaceutical, mass media, information technology, business, financial services, and many others.

The flexible online delivery method (80 percent online) will meet the needs of graduate students in the region, many of whom work full-time commuting to Philadelphia and New York.

Data that documents the demand for this proposed program can be found in the Executive Summary.

MOTION: That the Board of Governors approve the Master of Arts Degree in Professional and New Media Writing at East Stroudsburg University of Pennsylvania.

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

Other Supporting Documents Available: Degree Proposal

Reviewed by: East Stroudsburg University Council of Trustees on September 16, 2012

Prepared by: James D. Moran

Telephone: (717) 720-4200

**Executive Summary of Program Proposal
Master of Arts in Professional and New Media Writing
East Stroudsburg University of PA**

October 11, 2012

1. Appropriateness to Mission

East Stroudsburg University of Pennsylvania (ESU) proposes a new graduate degree program, the Master of Arts (MA) in Professional and New Media Writing. This program is designed to offer advanced training and education in written and new media communication aimed at corporate, government, and nonprofit professional industries. A secondary aim of this graduate program is to further scholarship in the rapidly growing academic discipline of professional writing.

ESU's proximity to Philadelphia and New York City—the publishing capital of the world and site of the largest concentration of professional writing jobs—uniquely positions ESU to serve a rapidly growing regional population and a high demand for advanced education in professional writing and new media technologies. Utilizing a blended delivery format that is eighty percent (80%) online, the program is tailored to meet the needs of students who are balancing work and life.

The proposed program aligns with the Pennsylvania State System of Higher Education's (PASSHE) Strategic Initiatives, including "Transforming the Teaching and Learning Environment," with its curricular focus on emerging electronic technologies as well as its approach to teaching the program via distance education technologies. In addition, the graduate program supports PASSHE's goal of transforming the Commonwealth's future in the rapidly evolving technical communications arena. Finally, the Professional and New Media Writing program aligns with ESU's mission statement, creating a diversified learning community and offering "challenging and contemporary" graduate curricula opportunities for "leadership and service in the educational, cultural and economic development of the region."

2. Need

A majority of book and magazine publishers, as well as advertising and public relations firms, are concentrated in five major U.S. cities, including New York and Philadelphia, which are in close proximity to ESU. Furthermore, ESU is located in Monroe County, Pennsylvania, which is one of the fastest-growing counties in the United States. According to the County's comprehensive plan, *Monroe 2020*, economic development will capitalize on the region's unique identity as home to New York City commuters and telecommuters, small and diverse corporate-services businesses, and artists and artisans. The Monroe County planning office specifically recognizes professional writers as a body of potential employees that it wants to expand and retain.

Professional and new media writing positions are in demand in corporate, government, and nonprofit sectors, and across a wide range of industries in the Commonwealth, including: publishing, healthcare, pharmaceutical, mass media, information technology, business, financial services, and many others. Common position or job titles for professional writers with knowledge and competencies in emerging multimedia technologies and online (Web- based) media, are as follows:

- Senior Technical Writer – Technical Writer
- Web Content Writer – Web Writer – Web Content Specialist
- Web Journalist
- Digital Content Producer – Digital Writer
- E-commerce Content Writer
- Internet Technical Writer
- Scientific Writer – Subject Based Expert Content Writer
- Project-Based Content Writer
- Proposal Writer – Procedure Writer
- Writing and Editing Manager – Writer and Editor

Analysis of the leading online job search sites (Careerbuilder.com; Indeed.com; Careerjet.com; careers.DiversityInc.com; and other) for professional and new media writing jobs in Pennsylvania indicates an average of more than 100 job openings posted on each site in the last 30 days, for a current total of 607 full-time, permanent positions in the Commonwealth, including 156 openings in Philadelphia and 68 in Pittsburgh. Across these online job search sites, 143 (23%) of these jobs are listed as “urgent” or “in rapid demand”. Additionally, nearly 300 long-term, high-paying contract positions for professional and technical writers, primarily in high-technology and healthcare fields are advertised. As online job search sites are continually updated, with new positions added and filled positions removed these numbers represent a consistent and growing trend in Pennsylvania. Nationally, demand for professional writers is projected to grow 8% by 2018 and employment of technical writers is expected to grow 18%, faster than the average for all occupations according to U.S. Bureau of Labor Statistics' *Occupational Outlook Handbook*.

To meet Commonwealth workforce demand for professional and new media writing jobs across sectors and industries, the proposed program will offer multiple pathways for prospective students to achieve the qualifications most in demand in job openings. Specifically, the core, required courses will lead to mastery of the discipline – advanced knowledge and skills in professional and new media writing – required for all positions. The specialty, elective courses will lead to competencies required for specific positions; and the capstone experience will contribute to types or length of experience required or preferred for positions.

For example, young professionals in entry level positions with bachelor's degree in English, Journalism, or Communications will be able to advance their professional and new media writing to qualify for senior-level writing positions (e.g., Senior Level Technical Writer, Writing and Editing Manager) or new media writing positions (e.g., Digital Content Producer, E-commerce Content Writer, Internet Technical Writer). Young professionals with bachelor's degrees in fields

such as Biology, Chemistry, Biotechnology, Computer Science, and other science fields will be able to gain a master's degree and professional writing skills required for high-demand, high-salary positions as Scientific Writers, Procedure Writers, Proposal Writers, or Subject Based Expert (SBE) Writers. These positions require a bachelor's degree in the science field, with a master's degree and professional/technical writing skills as required qualifications. Likewise, working professionals and new graduates in a wide range of disciplines – from Business to Political Science to the Liberal Arts – will be able to achieve graduate level writing competencies and choose specialty elective courses to achieve competencies and skills (listed as required qualifications) for high-demand, new media writing positions such as Web Writers, E-commerce Content Writers, and Digital Writers to meet the growing demand for Web-based information, online publications, and other multimedia technologies and applications.

3. Academic Integrity

The curricular model for the MA program is based upon the principles of innovative instruction, student flexibility, and institutional coherence with Board of Governors' academic policies. Likewise, enormous changes in the labor market for professional writers and editors have prompted calls for both more-flexible and more-specialized graduate writing instruction. Therefore, the curriculum for the MA, Professional and New Media Writing comprises 30 credit hours of graduate coursework including required, core courses (12 credits); elective, specialty courses (15 credits); and a capstone project/thesis requirement (3 credits). In short, the program offers a solid foundation in core skills and knowledge bases common among senior-level professional writers, but also allows each student to explore specific areas of interest with maximum flexibility. Whether a student's interest lies in tourism-industry writing, the creation of software manuals, the writing of novels or screenplays, public relations campaigns or academic preparation for further graduate study, students will find a range of substantial and relevant electives. The capstone thesis will give students a chance to produce important concrete, and in some cases, saleable work, with which to augment their career profiles.

4. Coordination/Cooperation/Partnerships

ESU plans coordination with PASSHE universities to pool faculty resources for specialized professional writing courses. Moreover, it is anticipated that a number of the required and elective courses in the proposed program will serve as "professional skills" courses for PASSHE's Professional Science Masters (PSM) Initiative, designed to meet workforce demand in high-technology sectors in the Commonwealth.

Within ESU, the English department designed the new MA, Professional and New Media Writing, to integrate expertise from across ESU academic departments. Communication Studies will offer expertise in media law and cross-cultural media ethics. Computer Science, Business Management, and Art will offer guest lectures, invited speakers, and courses in web programming languages and entrepreneurship. In developing the program, the English Department collaborated with the *Greater Pocono Chamber of Commerce*, comprised of

more than 1,500 members; *Sanofi-Pasteur*, the international biomedical company and Monroe County's largest corporate employer; and *Patch.com*, the growing hyper-local news organization based in New York City with presence in the Lehigh Valley. To continue this cooperation, an Advisory Council will be established to ensure that the program continually produces graduates with the kinds of skills required by employers for their corps of specialized and professional writers.

5. Assessment

Assessment will be conducted on a continuous basis through course-embedded measures, alumni and stakeholder surveys, and advisory board interviews to provide regular feedback for improving program effectiveness and student performance. The program will be reviewed within three years of its approval by the Board of Governors, and on a regular five-year cycle following its initial review, in accordance with Board of Governors Policy 1986-04-A: *Program Review*. At present, there is no specialized accreditation for professional writing programs in the United States. However, relevant professional and scholarly organizations, such as the *Society for Technical Communication* and the *Association for Education in Journalism and Mass Communication newspaper and online news division*, will be regularly consulted to monitor pedagogical and curricular standards found in the best master's-level professional writing programs nationally.

6. Resource Sufficiency

ESU's resource sufficiency, faculty, instructional, technological, and regional collaborations, combined with market demand and strategic direction for graduate education, are prime factors for ESU's support of the MA, in Professional and New Media Writing. Current faculty with expertise in professional and media writing and distance education are significant resources already in place. ESU has sufficient learning technologies to support the online component of the program. Tuition revenues are based upon projected student and market demand.

7. Impact on Educational Opportunity

ESU's Graduate College has established a number of programs to enhance student diversity, including the Frederick Douglass Institute (FDI) Graduate Scholars. The program coordinator will actively recruit students from groups traditionally underrepresented in graduate education and professional writing, and ensure that coursework, projects, and speakers represent global perspectives. By emphasizing ESU's proximity to the rich cultural and enormous economic capital of New York City, the program will provide an important opportunity for students who wish to prepare at the graduate level and remain in Pennsylvania while increasing their opportunities in the professional writing workforce.

Prepared by: *Marilyn J. Wells, Ph.D. Vice Provost and Graduate Dean*

Approved by East Stroudsburg University Council of Trustees: September 16, 2012

Implementation date: Fall 2013

FIVE-YEAR BUDGET PROJECTION

UNIVERSITY: East Stroudsburg University of Pennsylvania

PROPOSED PROGRAM: Master of Arts (MA), Professional and New Media Writing

| ESTIMATED REVENUES | Year 1 2013 – 2014 | | Year 2 2014 – 2015 | | Year 3 2015 - 2016 | | Year 4 2016 – 2017 | | Year 5 2017 – 2018 | |
|--|-----------------------|--------|-----------------------|---------|-----------------------|---------|-----------------------|---------|-----------------------|---------|
| | Existing | New | Existing | New | Existing | New | Existing | New | Existing | New |
| Projected University E&G <i>and/or</i> Tuition | | 77,133 | | 154,267 | | 192,833 | | 208,260 | | 208,260 |
| External Grants and Contracts | | | | | | | | | | |
| Other | | | | | | | | | | |
| TOTAL REVENUE | 77,133 | | 154,267 | | 192,833 | | 208,260 | | 208,260 | |
| ESTIMATED EXPENSES | Year 1 | | Year 2 | | Year 3 | | Year 4 | | Year 5 | |
| Salaries and/or benefits (Faculty and Staff, Grad Asst. Stipend/ Waiver) | 72,375 | 15,454 | 76,787 | 15,454 | 84,793 | 15,454 | 96,513 | 15,454 | 96,513 | 15,454 |
| Learning resources | | 1,500 | | 3,000 | | 3,750 | | 4,050 | | 4,050 |
| Instructional Equipment | | 4,000 | | 4,000 | | 4,000 | | 4,000 | | 4,000 |
| Facilities and/or modifications | | | | | | | | | | |
| Other | | 1,500 | | 3,000 | | 3,000 | | 3,000 | | 3,000 |
| TOTAL EXPENSES | 94,829 | | 102,241 | | 110,997 | | 123,107 | | 123,017 | |
| DIFFERENCE (Rev.-Exp.) | 17,696 | | 52,026 | | 81,836 | | 85,253 | | 85,253 | |
| ESTIMATED IMPACT OF NEW PROGRAM | Year 1 | | Year 2 | | Year 3 | | Year 4 | | Year 5 | |
| Full-time Headcount Enrollment | 0 | | 0 | | 0 | | 0 | | 0 | |
| Part-time Headcount Enrollment | 10 | | 20 | | 25 | | 27 | | 27 | |
| Projected Annual Credits Generated | 150 | | 300 | | 375 | | 405 | | 405 | |
| Tuition Generated | 77,133 | | 154,267 | | 192,833 | | 208,260 | | 208,260 | |

| ESTIMATED REVENUES | NARRATIVE/ASSUMPTIONS |
|---|--|
| Projected University E&G and/or Tuition | The 2012-13 in-state tuition/fees are used for projection of revenue. As tuition for 2013-2014 and subsequent years is not set, no increase in tuition is projected. Fees include the tuition technology fee and instructional support fee. |
| External Grants & Contracts | |
| Other | |
| ESTIMATED EXPENSES | |
| Salaries and/or benefits (Faculty and Staff, Grad Asst Stipend/ Waiver) | All required courses will be taught by current faculty in the English Department. Selected elective courses will be taught by a faculty with particular expertise in a specialty area in professional writing. One 0.25 FTE temporary faculty will be hired per semester for Years 1 – 5. Additional salary assumptions include faculty summer load, distance education stipends, course development payments, and supervision of master's theses. Because salary/benefits in subsequent years are not set, no increase in salary/benefits is projected. |
| Learning Resources | Learning resources for this program are calculated at \$150 per headcount enrollment. Because of the large undergraduate program in the English Department, existing library and learning resources are sufficient. |
| Instructional Equipment | Instructional equipment is estimated at \$4,000 per year to cover the costs of technology to ensure faculty have access to and can maximize the Desire2Learn online learning platform, as well as discipline specific resources and technology. |
| Facilities and/or modifications | None anticipated at this time. |
| Other | Operating budget, including faculty professional development and graduate student travel support (field trips to publishing houses in New York/Philadelphia and professional conferences), is estimated at \$1500 for Year 1, increasing to \$3,000 for Years 2 – 5. |
| ENROLLMENT | |
| Full-time Headcount Enrollment | The program is designed as a two-year, part-time graduate program for working professionals, with a schedule of summer (3 credits), fall (6 credits), and spring (6 credits) for each of the two years. Thus, full-time enrollment is not projected. |
| Part-time Headcount Enrollment | Year 1 = 10, Year 2 = 20, Year 3 = 25, Year 4 = 27 and Year 5 = 27. Student retention rates are conservatively estimated at 80%, based upon retention rates for similar programs (80% online, discipline), but additional students will be admitted to ensure sustainability. |
| Projected Annual Credits Generated | For this calculation, assume 1 headcount enrollment equivalent to 15 credits per year. |

Academic and Student Affairs Committee Meeting

October 11, 2012

SUBJECT: Approval of a Master of Fine Arts Degree in Communication Design at Kutztown University of Pennsylvania (ACTION)

UNIVERSITIES AFFECTED: Kutztown University of Pennsylvania

BACKGROUND: Kutztown University of Pennsylvania proposes a Master of Fine Arts Degree (MFA) in Communication Design (CD). This will be the first MFA in Communication Design program offered by the Pennsylvania State System of Higher Education (PASSHE) and the only such program available in the Lehigh Valley and Berks County. The MFA is the terminal degree in the Visual and Performing Arts and is required for employment in post-secondary education or career advancement.

The program will provide graduates to replace the high percentage of faculty who will be retiring within the next ten to twenty years across the Commonwealth as well as regionally, and nationally. The National Center for Education Statistics' National Study of Postsecondary Faculty reported that "44.4% of all tenured faculty members were fifty-five and older in 1999."

Building upon Kutztown University's undergraduate Bachelor of Fine Arts program in Communication Design, the MFA program will also graduate Communication Design professionals with specialized technological competence who will meet the demands for career advancement in the workplace as creative directors, art directors, web designers, business principals, corporate account executives, and creative-business entrepreneurs. Additional data through 2018 from Barnes Reports for Graphic Design Services Industry, the American Institute of Graphic Arts and Adobe Defining the Designer of 2015, the United States Department of Labor, the Bureau of Labor Statistics, Trendology Research and, U.S. Graphic Design Services Industry is provided in the Executive Summary.

MOTION: That the Board of Governors approve the Master of Fine Arts Degree in Communication Design at Kutztown University of Pennsylvania.

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

Other Supporting Documents Available: Degree Proposal

Reviewed by: Kutztown University Council of Trustees on September 20, 2012

Prepared by: James D. Moran

Telephone: (717) 720-4200

**Executive Summary of Program Proposal
Master of Fine Arts in Communication Design
Kutztown University of Pennsylvania**

October 11, 2012

1. Appropriateness to Mission

The Department of Communication Design at Kutztown University of Pennsylvania proposes a new Master of Fine Arts (MFA) in Communication Design (CD). This will be the first MFA in Communication Design program offered by the Pennsylvania State System of Higher Education (PASSHE) and the only such program available in the Lehigh Valley and Berks County. The MFA is the terminal degree in the Visual and Performing Arts and is required for employment in post-secondary education or career advancement. Citizens of the Commonwealth who have undergraduate degrees in the growing and rapidly changing field of Communication Design who wish to pursue graduate degrees in the field to advance their career or teach at the higher education level must either seek degrees at a higher cost private institution in Pennsylvania or leave the Commonwealth to attend an institution in another state.

The program will provide graduates to replace the high percentage of faculty who will be retiring within the next ten to twenty years across the Commonwealth. These include faculty positions in graphic design, web design, interactive design, and advertising design at professional schools, two-year colleges, four-year institutions in the Commonwealth as well as regionally and nationally. Graduates of the MFA in CD will assume the responsibility to train and inspire the next generation of visual information organizers for the technologies of the future. The National Center for Education Statistics' National Study of Postsecondary Faculty reported that "44.4% of all tenured faculty members were fifty-five and older in 1999."

Building upon Kutztown University's undergraduate Bachelor of Fine Arts program in Communication Design, the MFA program will also graduate Communication Design professionals with specialized technological competence who will meet the demands for career advancement in the workplace as creative directors, art directors, web designers, business principals, corporate account executives, and creative-business entrepreneurs.

The program aligns with the Pennsylvania State System of Higher Education's (PASSHE) goals of (1) advocating for the unique role of public higher education in contributing to the life of the Commonwealth and responding to Commonwealth needs; (2) promoting teaching and learning as well as creativity and scholarship; (3) responding to state, regional, and national needs through quality graduate and undergraduate programs; and, (4) promoting diversity as a key element in the intellectual and interpersonal development of members of the University and extended communities.

2. Need

Resources consulted in the preparation of this proposal include data from Barnes Reports for Graphic Design Services Industry, the American Institute of Graphic Arts and Adobe Defining the Designer of 2015, the United States Department of Labor, the Bureau of Labor Statistics, Trendology Research and, U.S. Graphic Design Services Industry.

According to the U.S. Department of Labor, Bureau of Labor Statistics Occupational Outlook Handbook, 2010-2011 Edition, graphic designers—including web and interactive designers in the U.S.—will see an increase from 286,100 jobs in 2008 to 323,100 jobs by 2018. This is a 13 percent increase over the next several years. Similarly, commercial and industrial designers in the United States will see an increase from 44,300 jobs in 2008 to 48,300 jobs by 2018. This is a nine percent increase over the next several years. The Bureau of Labor Statistics also projects that postsecondary teachers in the U.S. will see an increase from 1,699,200 jobs in 2008 to 1,956,100 jobs by 2018. This 15 percent increase is equal to more than 250,000 jobs in the near future.

According to the Barnes Report Graphic Design Services Industry (2011 Edition), Graphic Service establishments in the Commonwealth were expected to grow from 466 in 2011 to 478 in 2012, representing a 2.5 percent increase in such businesses. The estimated amount of industry sales in graphic design services in the state were expected to rise from \$203.5 million in 2011 to \$213.2 million in 2012. This represents an increase of \$9.7 million, or a 4.8 percent increase in overall graphic design services industry sales over just a single year. The estimated number of graphic design service employees across the Commonwealth was expected to grow from 2,367 in 2011 to 2,435 in 2012, representing a 2.4 percent overall increase in employees in just one year.

3. Academic Integrity

The MFA is structured to meet all National Association of Schools of Art and Design (NASAD) accrediting protocols. The curriculum is structured to be a two and one-half year program on campus with the last half year to be completed independently off campus with weekly meetings by Internet communication or online video conferencing to discuss the work and progress of the MFA candidate with the thesis advisor.

Students will graduate with a degree consisting of 64 to 70 credits, depending on which courses and how many credits were taken each semester. Graduate studio electives will be offered through the Art Education master's program and additional Communication Design courses will be developed for the studio electives. Electives will allow students to take advantage of the strong programs in Communication Design and Art Education and will broaden the skillset of the MFA program to include courses in product design, jewelry design, printmaking, painting, wood design, and fibers as well as drawing, sculpture, and photography.

4. Coordination/Cooperation/Partnerships

The Communication Design Department follows applicable NASAD guidelines to ensure that the MFA will pass accreditation standards outlined for the terminal degree in a professional art program. To meet those guidelines, 12 graduate credits will be offered outside the studio and in related academic areas such as art education & crafts, professional studies, computer science, and English.

MFA students will be encouraged to join the primary professional organization related to their area of study, the American Institute of Graphic Arts (AIGA), and to join the primary professional organization related to education in the field, the University & College Designer's Association. Through those memberships, MFA candidates will be able to actively participate in regional and national events, meetings, juried competitions and conferences. MFA candidates will be required to submit thesis projects for presentations at conferences hosted by both organizations as well as other conferences related to the field of Communication Design or higher education in the arts.

The Communication Design Department will develop and enhance relationships with business, government agencies, and non-profit organizations as the MFA program develops and alumni of the program gain visibility in the marketplace. The program will actively recruit prospective graduate students from other PASSHE institutions (e.g., BFA Graphic Design). Maintaining an active presence in a variety of settings will help the MFA applicant pool strengthen the program.

5. Assessment

The Communication Design faculty will form an MFA Assessment Committee to assess the program. The Committee will ensure that assessments remain relevant to industry and NASAD standards and provide accurate representations of the program's strengths and weaknesses. The program will be deemed successful if learning outcomes are met, industry expectations are addressed, graduates meet their professional goals, and NASAD standards are met.

Assessment of the program will be based on (1) originality of design solutions and creativity of design solutions; (2) relevancy to industry technology and ability to communicate to a specific audience; (3) consideration of historic context and clarity of visual and personal "voice;" (4) professional presentation (i.e., writing, speaking, exhibition); and, (5) research and resource analysis in the major field of study.

6. Resource Sufficiency

The University has committed sufficient resources to initiate the program, and expenses will be minimized through attention to course sequencing and use of existing department faculty, budget, facilities, and equipment. One faculty member will be hired for the first year and a second faculty member will be hired for the second year of the program. A graduate assistantship will be offered to one graduate student per year.

7. Impact on Educational Opportunity

The MFA in Communication Design will serve diverse populations related to three primary factors. The first factor is location. Kutztown University is located 30 minutes (driving time) of the diverse metropolitan areas of Allentown/Bethlehem and Reading; within one hour of the Philadelphia metropolitan area; and two hours from New York City. The University, with the MFA, will serve as a regional design community, and MFA candidates will be able to take advantage of lectures, presentations, conferences, and shows in both New York City and Philadelphia.

Several of the courses in the MFA are sensitive to ethnic and cultural backgrounds and diverse experiences and encourage self-expression and research. One such course is Personal Exploration Seminar, which will allow each candidate to explore individual style, projects, visual techniques, academic, social, cultural interest, and intellectual content that has personal meaning to the student. Other courses incorporate enough flexibility to allow for different cultural backgrounds and experiences to become the focal point for the creative project.

Prepared by: *Carlos Vargas-Aburto, Ph.D., Provost and Vice President for Academic and Student Affairs*

Approved by Council of Trustees: September 20, 2012

Implementation date: Fall 2014

FIVE-YEAR BUDGET PROJECTION

UNIVERSITY: Kutztown University

PROPOSED PROGRAM: Master of Fine Arts in Communication Design

| ESTIMATED REVENUES | Year 1 | | Year 2 | | Year 3 | | Year 4 | | Year 5 | |
|--|----------|--------|----------|---------|----------|---------|----------|--------|----------|--------|
| | Existing | New | Existing | New | Existing | New | Existing | New | Existing | New |
| Projected University E&G <i>and/or</i> Tuition | | 92,665 | 72,087 | 120,144 | 146,350 | 104,536 | 168,827 | 99,310 | 175,860 | 97,700 |
| External Grants and Contracts | | | | | | | | | | |
| Other | | | | | | | | | | |
| TOTAL REVENUE | 92,665 | | 192,231 | | 250,886 | | 268,137 | | 273,560 | |
| ESTIMATED EXPENSES | Year 1 | | Year 2 | | Year 3 | | Year 4 | | Year 5 | |
| | Existing | New | Existing | New | Existing | New | Existing | New | Existing | New |
| Salaries and/or benefits (Faculty and Staff, Grad Asst Stipend/Waiver) | | 93,817 | 93,817 | 78,596 | 172,413 | | 172,413 | | 172,413 | |
| Learning resources | | 1,000 | 1,000 | 1,500 | 2,500 | 2,500 | 2,500 | 5,000 | 7,500 | |
| Instructional Equipment | | 300 | 300 | 300 | 600 | 400 | 1,000 | | 1,000 | |
| Facilities and/or modifications | | | | | | | | | | |
| Other | | | | | | | | | | |
| TOTAL EXPENSES | 95,117 | | 175,513 | | 178,413 | | 180,913 | | 180,913 | |
| DIFFERENCE (Rev.-Exp.) | 2,452 | | 16,718 | | 72,473 | | 87,225 | | 92,647 | |
| ESTIMATED IMPACT OF NEW PROGRAM | Year 1 | | Year 2 | | Year 3 | | Year 4 | | Year 5 | |
| | Existing | New | Existing | New | Existing | New | Existing | New | Existing | New |
| Full-time Headcount Enrollment | 6 | | 13 | | 20 | | 22 | | 22 | |
| Part-time Headcount Enrollment | 2 | | 3 | | 4 | | 5 | | 6 | |
| Projected Annual Credits Generated | 188 | | 390 | | 509 | | 544 | | 555 | |
| Tuition Generated | 80,652 | | 167,310 | | 218,361 | | 233,376 | | 238,095 | |

| ESTIMATED REVENUES | NARRATIVE/ASSUMPTIONS |
|--|---|
| Projected University E&G <i>and/or</i> Tuition | The 2012-2013 in-state tuition (\$429 per credit)/fees are used for the projection of revenue. As tuition for 2013-2014 and subsequent years is not set, no increase in tuition is projected. Fees are all mandatory fees including Instructional Service (\$42.90 per credit), and Instructional Technology (\$21.00 per credit). |
| External Grants & Contracts | No external grants and contracts are projected at this time. |
| Other | No other sources of funding are anticipated at this time. |
| ESTIMATED EXPENSES | |
| Salaries and/or benefits (Faculty and Staff, Grad Asst. Stipend/ Waiver) | The estimate includes one faculty member in Year 1 and an additional faculty to be hired in year 2. The cost is calculated at the average cost for the University for a new faculty member including benefits. Because salary/benefits in subsequent years are not set, no increase in salary/benefits is projected. Graduate Assistant Stipend \$7,500 and Waiver are included. The 2012-2013 in state tuition was used to project the Graduate Assistant waiver, and because subsequent years' tuition is not set no increase in the waiver was calculated. |
| Learning Resources | Learning resources are projected at \$1,000 initially increasing from year 2 to 3 (2,500 and 5,000) and projected to level at \$7,500. This would include costs of software licensing and other resources for the program. |
| Instructional Equipment | Instructional Equipment projections are for computers and equipment associated with the new faculty being hired. The amount increases in year 2 to 600; then increases to 1,000 in year 3 and maintains at that amount. |
| Facilities and/or modifications | No additional facilities needs are anticipated at this time. The College of Visual and Performing Arts plans to reallocate approximately 720 sq. ft. of existing space to serve the MFA in Communication Design as it becomes fully enrolled. |
| ENROLLMENT | |
| Full-time Headcount Enrollment | Enrollment projection includes one full time student not returning in subsequent years. The full-time year 1 to year 2 retention rate is projected at 87.5%, with all retained students graduating within three years. The projection is based on the undergraduate rate of 87% for this program. |
| Part-time Headcount Enrollment | Enrollment projection includes one part time student not returning in subsequent years. The part-time year 1 to year 2 retention rate is projected at 50%, with all retained part-time students graduating within five years. The projection is based on the undergraduate rate of 87% and adjusted for the smaller number of part time students. |
| Projected Annual Credits Generated | Credits generated are expected to increase from 188 in the initial year the program is offered, to 555 during the fifth (and subsequent) year the program is offered. |

Academic and Student Affairs Committee Meeting

October 11, 2012

SUBJECT: Approval of the Revised Five-Year Budget Projection and Budget Narrative for Bachelor of Science Degree in Mechatronics Engineering Technology at California University of Pennsylvania (ACTION)

UNIVERSITIES AFFECTED: California University of Pennsylvania

BACKGROUND: At the April 2012 Board of Governors' meeting, California University of Pennsylvania proposed a Bachelor of Science Degree in Mechatronics Engineering Technology, to begin fall 2013.

The Board of Governors approved the program contingent upon, and with the understanding that California University would present a revised Five-Year Budget and Budget Narrative that fully reflects the costs of the program—including financial projections—to the Board of Governors at its October 2012 meeting.

As a result, Section 6 Resource Sufficiency in the Executive Summary was revised to reflect the revised budget and narrative.

MOTION: That the Board of Governors approve the Revised Five-Year Budget for the Bachelor of Science Degree in Mechatronics Engineering Technology at California University of Pennsylvania.

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

Other Supporting Documents Available: Degree Proposal, April 5, 2012

Reviewed by: California University Council of Trustees, June 6, 2012.

Prepared by: James D. Moran

Telephone: (717) 720-4200

Executive Summary of New Degree Program Proposal
Bachelor of Science Degree in Mechatronics Engineering Technology
California University of Pennsylvania

April 4, 2012

September 14, 2012 (budget update)

1. Appropriateness to the Mission

The proposed Bachelor of Science degree in Mechatronics Engineering Technology is designed to produce a graduate with a multidisciplinary high-tech skill set and knowledge that integrates mechanical, electrical, and computing technology through automated control and information systems. Mechatronics is an evolutionary design development that requires horizontal integration between various engineering disciplines as well as vertical integration between design and manufacturing.

The proposed program prepares individuals to apply mathematical and scientific principles to the design, development and operational evaluation of computer controlled electro-mechanical systems and products with embedded electronics, sensors, and actuators; and which includes, but is not limited to, automata, robots and automation systems. The interdisciplinary curriculum includes instruction in mechanical engineering, electronic and electrical engineering, computer and software engineering, and control engineering.

The proposed California University (CAL U) mechatronics program is aligned with the Pennsylvania State System of Higher Education (PASSHE) *Strategic Directions* as well as CAL U's mission and strategic goals through the development of a Science, Technology, Engineering, and Mathematics (STEM) discipline that is designed to meet the current and emerging workforce needs of the Commonwealth.

2. Need

The multidisciplinary skill set has been identified by the Pennsylvania Department of Labor and Industry as a high priority occupation (HPO) skill set. In the study of recent annual growth rates of 280 U.S. companies, growth rates averaging 20 percent were reported in the manufacturing, service, and medical and robotics sector.

The national Council on Competitiveness estimates that 100 million new jobs will be created in the 21st century at the intersection of disciplines rather than within or through individual disciplines. Graduates of the proposed mechatronics engineering technology bachelor degree program will satisfy the need in a number of different economic sectors across the Commonwealth such as: biotechnology; transportation and logistics; special trade construction; aerospace; agriculture, food and forestry, green energy, homeland security and defense; telecommunications and information services; life science and medical equipment; production support and industrial machinery, and advanced

manufacturing. The proposed STEM program will position CAL U as a regional leader in mechatronics career development to meet STEM workforce needs across industries for Pennsylvania and the global society by graduating high tech multi-skilled mechatronics engineering technologists.

3. Academic Integrity

The Bachelor of Science degree in Mechatronics Engineering Technology will be housed in the Department of Applied Engineering and Technology. There will be options to transfer credits from the CAL U associate degree program in Robotics Engineering Technology and associate degree offerings from local and statewide community college engineering technology programs with appropriate preparation in math and science. The mechatronics engineering technology program was planned and prepared with reference to Technology Accreditation Commission of Accreditation Board of Engineering and Technology (TAC of ABET) criteria, with input from the Mechatronics Industrial Advisory Board members, and current faculty at CAL U.

The 120 credit hour multidisciplinary program has clearly identified program objectives and articulated student-learning outcomes that include internships, faculty-supervised student projects designed to solve industry problems, industry partnerships, and a capstone senior project.

4. Coordination/Cooperation/Partnerships

Partnerships with existing programs will be a strong point of the proposed mechatronics engineering technology program at CAL U. The benchmark in-house programs that will aid in the building of the curricular foundation for the Bachelor of Science degree in Mechatronics Engineering Technology are the accredited (TAC-ABET) Electrical Engineering Technology, Computer Engineering Technology programs, ATMAE accredited Technology Management program, and the CAC of ABET Computer Science program. There are 34 credits from these stellar programs that are required in the mechatronics engineering technology program. Regional community colleges in Westmoreland, Butler, and Allegheny counties as well as Pierpont Community College (in Fairmount, WV) have associate degree programs in engineering technology that will articulate well with the proposed offering in mechatronics engineering technology program. Currently, articulation agreements with these community colleges are in place for our electrical engineering technology, computer engineering technology, and technology management programs. A total of seven (7) community colleges in Pennsylvania have 2+2+2 articulation agreements with the Applied Engineering and Technology Department. Also, CAL U was the PASSHE lead with the funded Pathways for Career Success Program (Robotics Engineering Technology program), and has 2+2+2 articulation agreements with four high schools, three career and technology centers, and two community colleges. CAL U will expand on all of these existing agreements and throughout the Commonwealth. Along with a strong Mechatronics Advisory Board (created to advise the development of the Mechatronics Engineering Technology program) at CAL U, efforts are currently underway with a number of agencies and organizations to strengthen the engineering technology offerings by developing relationships with corporations for internships and donations.

5. Assessment and Accreditation

The Bachelor of Science degree in Mechatronics Engineering Technology has been developed in accordance with the 2011-2012 TAC of ABET criteria for accrediting engineering technology programs. ABET is the premier accreditation body for engineering and engineering technology programs throughout the world. In addition to the ABET criteria, the degree program had an industrial advisory board that contributed to the development of the program. Once established, CAL U will pursue accreditation through TAC of ABET. In addition to the ABET accreditation process, Board of Governors Policy 1997-01: *Assessing Student Learning Outcomes*, will ensure continued effectiveness. The program will be reviewed within three years of its approval by the Board of Governors, and on a regular five-year cycle following its initial review.

6. Resource Sufficiency

The Department of Applied Engineering and Technology has support faculty to teach the electrical engineering technology and computer engineering technology courses, which are part of the technical core within the mechatronics degree; but additional faculty members and a lab technician will be needed to adequately deliver the program. CAL U plans to hire at least two mechatronics engineering technology faculty members and share an electrical engineering technology faculty member to teach, recruit, conduct research in the field, and pursue accreditation and resource acquisitions for the program. A lab technician will be hired to maintain the facilities (labs), aid faculty in setup of demonstrations and activities, support recruitment, and perform other duties as contracted. The budget reflects faculty member #1 and the lab technician being employed in year one; and faculty member #2 starts in year three.

The Mechatronics Engineering Technology program will require state-of-the-art facilities, updates of current facilities, and the procurement of equipment/hardware/software to adequately prepare the mechatronics engineering technology students so that they can compete in the global marketplace.

CAL U has a well-defined outreach plan designed to develop a student pipeline for the current engineering technology programs that will support the new program. CAL U has collaborated with workforce agencies and 70 regional companies to support high school student participation in robotics competitions; BotsIQ and the VEX World Cup. For example, BotsIQ has 42 schools with over 400 competitors that compete at CAL U every year. Other relevant outreach activities include teacher professional development, technical skill development, summer robotics camps for middle and high school students, and the recent development of a scout leader training for a robotics merit badge for the Boy Scouts.

7. Impact on Educational Opportunity

CAL U will target recruitment activities toward minority and female students for the Bachelor of Science degree program in Mechatronics with an initial marketing campaign prior to the start of the program and expand throughout

the advertisement process. CAL U will seek grants such as National Science Foundation funds designated to increase minority student recruitment and retention in engineering and technology fields. The University will conduct national searches to hire engineers to teach in the mechatronics engineering technology program with particular attention to minority and women candidates.

By being the only Bachelor of Science in Mechatronics Engineering Technology program in Pennsylvania, Cal U will:

- a) provide students with opportunities offered nowhere else in Pennsylvania to earn a professional bachelor of science degree in mechatronics engineering technology that will lead to meaningful employment with better than family-sustaining wages;
- b) provide associate degree graduates from regional community colleges who are working in industry the opportunity to develop advanced skills/knowledge that will further their careers;
- c) provide existing employers in manufacturing-related industries with a steady pool of skilled and capable employees;
- d) provide a resource of education, training, research and development that regional economic development agencies can use to recruit additional corporations to the area; and
- e) provide a resource for new businesses to develop and incubate in collaboration with the Cal U Entrepreneurial Leadership Center.

Prepared by: *Dr. John R. Kallis, Chairperson, Department of Applied Engineering and Technology, California University of Pennsylvania*

Approved by: California University of Pennsylvania Council of Trustees, June 6, 2012.

Implementation Date: Fall 2013

FIVE-YEAR BUDGET PROJECTION

UNIVERSITY: California University of Pennsylvania

PROPOSED PROGRAM: Bachelor of Science (B.S.) in Mechatronics Engineering Technology

| ESTIMATED REVENUES | 2012-13 Rates | 2013-14 | | 2014-15 | | 2015-16 | | 2016-17 | | 2017-18 | | 5-Yr Total |
|--|---------------|------------------------------|-----------|--------------------|-----------|--------------------|-----------|----------------------------------|-----------|----------------------------------|-----------|----------------------|
| | | Year 1 | | Year 2 | | Year 3 | | Year 4 | | Year 5 | | |
| | | Existing | New | Existing | New | Existing | New | Existing | New | Existing | New | |
| Projected Tuition or University E&G | \$7635 | \$0 | \$229,050 | \$183,240 | \$229,050 | \$329,832 | \$229,050 | \$502,994 | \$229,050 | \$658,839 | \$229,050 | \$2,820,155 |
| External Grants & Contracts | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TOTAL REVENUE | | \$229,050 | | \$412,290 | | \$558,882 | | \$732,044 | | \$887,889 | | \$2,820,155 |
| ESTIMATED EXPENSES | | Year 1 | | Year 2 | | Year 3 | | Year 4 | | Year 5 | | |
| Salaries and / or benefits (Faculty & Staff) | | \$0 | \$146,410 | \$0 | \$150,113 | \$0 | \$239,893 | \$0 | \$245,935 | \$0 | \$252,019 | \$1,034,369 |
| Learning resources | | \$0 | \$6,000 | \$4,800 | \$6,000 | \$8,640 | \$6,000 | \$13,176 | \$6,000 | \$17,258 | \$6,000 | \$73,874 |
| Instructional equipment | | \$1,600,000 | | \$800,000 | | \$300,000 | | Annual refresh rollover \$85,000 | | Annual refresh rollover \$85,000 | | \$2,870,000 |
| Facilities and / or modifications | | \$460,000 | | \$230,000 | | \$230,000 | | \$0 | | \$0 | | \$920,000 |
| Other-Faculty Professional Development | | \$10,000 | | \$10,300 | | \$10,609 | | \$10,927 | | \$11,255 | | \$53,091 |
| Total Expenses | | \$2,222,410 | | \$1,201,213 | | \$795,142 | | \$361,038 | | \$371,532 | | \$4,951,335 |
| Difference (Rev.- Exp.) | | (\$1,993,360) | | (\$788,923) | | (\$236,260) | | \$371,006 | | \$516,357 | | (\$2,131,180) |
| Estimated impact of new program | | Year 1 | | Year 2 | | Year 3 | | Year 4 | | Year 5 | | |
| FTE Enrollment | Full-time | 30 | | 54 | | 73 | | 96 | | 96 | | |
| FTE Enrollment | Part-time | *See narrative / assumptions | | | | | | | | | | |
| Projected annual credits generated | | 900 | | 1620 | | 2196 | | 2876 | | 2876 | | |
| Tuition Generated | | \$192,840 | | \$347,112 | | \$469,244 | | \$617,088 | | \$617,088 | | |

| ESTIMATED REVENUES | NARRATIVE / ASSUMPTIONS |
|--|---|
| Projected University E&G and/or Tuition | Used the 2012-13 tuition rates—\$6,428 Tuition Technology Fee—\$358 University Service Fee—\$179 Academic Support Fee—\$679 TOTAL Yearly tuition and Fees per student—\$7,635 Student retention rates of 80% in Years two (2) and three (3), and 90% in Years four (4) and five (5) are used for Existing students—calculated from the Department of Applied Engineering and Technology (AET) retention rates for the last four (4) years. |
| External Grants & Contracts | No External Grants and Contracts are projected at this time, but the faculty does plan to seek external funding. |
| Other | none |
| ESTIMATED EXPENSES | Estimated total of \$5,138,789 |
| Salaries and/or benefits (Faculty and Staff, Grad Asst Stipend/ Waiver) — <i>Two (2) faculty positions and one (1) lab technician.</i> | Salaries include two (2) new full-time tenure-track faculty at base salaries of \$66,183 (Assistant Professor, Step 7 on CBA Faculty Pay Schedule Effective October 1, 2010) and one (1) Laboratory Technician at \$45,000 (AFSCME). Benefits are calculated at 30% of Salaries. AFSCME annual increases are calculated at 1.32% for 2013-14, 2.57% for 2014-15 and thereafter at 2.57%. The budget reflects faculty member number #1 and the lab technician being employed in year one and faculty member #2 starts in year three. |
| Learning Resources | Learning resources for this high-cost program are calculated at \$200/student per year with student retention calculations, existing and new. |
| Instructional Equipment | Instructional Equipment, including instrumentation, lab equipment, and instructional technology; is estimated at \$800,000 per lab for three labs (two in Year one (1) and one in Year two (2) and \$300,000 for a fourth lab (Year three (3)). Starting in Year four (4), an annual rollover budget allocation of \$85,000 is included to start a reserve fund for periodic refreshing of instrumentation and technology. |
| Facilities and/or modifications | Costs are projected for four new labs: Materials Testing, Fluids, Automated Controls, and Senior Projects. Renovation costs are calculated at \$150,000 per lab plus \$80,000 for furnishings (i.e., tables, chairs, other furniture, storage, etc.). Costs for two labs are entered for Year 1 and one lab each in Years 2 and 3. |
| Other – Faculty Professional Development | Faculty Professional Development funds of \$5,000 per faculty member per year; increasing 3% annually, are calculated. These are based on the FPD required by other ABET accredited programs. |
| ENROLLMENT | A total conservative number of 30 with retention rates of 80 and 90 percent. |
| Full-time Headcount Enrollment | We used a “conservative” number of 30 students per year, with student retention rates of 80% in Years two (2) and three (3), and 90% in Years four (4) and five (5)—calculated from the Department of Applied Engineering and Technology (AET) retention rates for the last four (4) years. |
| *Part-time Headcount Enrollment | <u>We plan to initiate</u> incumbent worker-workforce development training and an enrollment model where students could enroll at a Community College and / or California University in any semester. |
| Projected Annual Credits Generated | To generate the projected number of annual credits, we used a conservative number of 30 students per year, multiplied by the Full-time Headcount Enrollment—(student retention rates of 80% in Years two (2) and three (3), and 90% in Years four (4) and five (5)). |

Academic and Student Affairs Committee

October 11, 2012

SUBJECT: PASSHE Universities Enrollment for Fall 2012 (INFORMATION)

UNIVERSITIES AFFECTED: All

BACKGROUND: By early October of each academic year, PASSHE Universities provide fall semester enrollment data on student population to the Board of Governors.

A presentation on the fall 2012 profile of PASSHE students will be made at the October 11, 2012 meeting.

Supporting Documents Included: N/A

Other Supporting Documents Available: Fall 2012 Enrollment Presentation

Reviewed by: N/A

Prepared by: James D. Moran

Telephone: (717) 720-4200

Academic and Student Affairs Committee Meeting

October 11, 2012

SUBJECT: LYME-AID Presentation, East Stroudsburg University of Pennsylvania
(INFORMATION)

UNIVERSITIES AFFECTED: All

BACKGROUND: Dr. Jane Huffman, faculty member, and Melissa Shaw, graduate student, work in the Northeast Wildlife DNA Lab at East Stroudsburg University. They developed a consumer product called "LYME-AID," a tick-testing kit. The concept emerged from the university's annual student business plan competition. The product has been licensed for manufacture, distribution, and wholesale sales by a private company. The first order of 7,500 units from Duane Reade Pharmacy is now finalized and entering production. An additional 2,500 units were ordered by Bradley Caldwell, Inc., for approximately 2,000 independently-owned pet and lawn/garden stores in 23 states, including Wegmans.

PASSHE's Technology Transfer and Commercialization Resource Network helped East Stroudsburg University with trademarking and negotiating the licensing agreement, which provides royalty income to the university and the inventors.

Sales of the product, which includes instructions and supplies for mailing the specimen for testing, also generate laboratory testing work for the Northeast Wildlife DNA Lab, thereby providing research opportunities for additional students.

Supporting Documents Included: Article from the *Pocono Record*

Other Supporting Documents Available: N/A

Reviewed by: N/A

Prepared by: James D. Moran

Telephone: (717) 720-4200

ESU student takes on ticks

Biology major designs kit for earlier detection

By [Christina Tatu](#)

Pocono Record Writer

September 20, 2012 12:00 AM

It's a simple enough test — one that could save residents of the Northeast, their pets and loved ones

from complications caused by undiagnosed Lyme disease.

And soon, it will be coming to a store near you, according to East Stroudsburg University officials.

The name of the product is "Lyme-Aid," a diagnostic kit developed by biology student Melissa Shaw

in conjunction with her supervisor, Jane Huffman, an ESU professor of biological studies and lab director of the university's Northeast Infectious Disease Diagnostic Laboratory.

The small plastic box is just the right size to slip into a pocket. It contains a special tool to remove the

pesky tick, alcohol wipe, tiny plastic bag to put the tick in, a special submission form and a preaddressed

envelope.

The tick is then mailed to ESU's diagnostic lab where it will be tested for the bacteria responsible for

Lyme disease. The test is 99.9 percent accurate.

Started as business plan

Lyme-Aid started in 2010 when Shaw entered a business plan competition and was awarded \$3,000 to

develop a prototype of her idea.

Shaw and Huffman later submitted the idea to the Pennsylvania State System of Higher Education,

which awarded them a \$10,000 grant to further develop and commercialize the idea, said Mary Frances Postupack, vice president of economic development and research support at ESU.

In order to get the grant, Shaw and Huffman had to show there were businesses willing to sell their

product.

Jere Dunkelberger, owner of Dunkelberger's Sports Outfitter on Main Street in Stroudsburg, agreed to

sell the finished product in his store.

"I thought it was a marvelous idea. With the kit, now you can remove the tick and know whether you

need treatment," he said.

It will be available at Dunkelberger's next month.

ESU student takes on ticks | PoconoRecord.com Page 1 of 3

<http://www.poconorecord.com/apps/pbcs.dll/article?AID=/20120920/NEWS/209200338/1/NEW...> 9/26/2012

Look to sell thousands

Jason Clerke, president of the Connecticut-based packaging company, Garrett Hewitt International,

was on board to help develop and distribute Lyme-Aid.

Garrett Hewitt manufactures perfume and cosmetic casing for companies such as Estee Lauder and L'Oreal.

Both men said it's the first Lyme testing kit they've ever come across.

"We believe we are going to be selling hundreds and thousands of these," Clerke said.

There are plans to distribute the kits to independent lawn and garden retailers and pet supply stores.

A major drug retailer also recently signed on to sell the kits in their New York-based pharmacies, he said.

Clerke hopes to see the kits in stores across the Northeast and Canada. The kit costs \$5.99.

If users find a tick that they want to send in for testing, they pay an additional \$39.99 to have the testing done. They will be notified of the results by email or phone.

The university receives 25 cents for every kit sold. The money will be used for education and research,

Postupack said.

Some labs charge upwards of \$120 to test ticks, Shaw said.

"It's essential to get prompt treatment because you can develop chronic symptoms," Shaw said.

Tick boom

The classic sign of a bite from a Lyme-infected tick is a bull's eye-shaped rash, but that symptom doesn't always manifest, Shaw said.

Clerke has personal experience with Lyme disease. His 1-year-old son was treated for Lyme, and a

neighbor suffered facial paralysis after not getting the condition treated soon enough.

Sometimes doctors prescribe a course of powerful antibiotics when they suspect Lyme disease, but

those medications can have severe side effects, including allergic reactions, upset stomach, headaches and diarrhea.

If the tick tests negative for Lyme disease, the client could avoid unnecessary treatments.

Lyme was a huge concern for residents this year, as unseasonably warm temperatures caused ticks to come out earlier.

A jump start on their breeding season also meant a population boom.

ESU student takes on ticks | PoconoRecord.com Page 2 of 3

<http://www.poconorecord.com/apps/pbcs.dll/article?AID=/20120920/NEWS/209200338/1/NEW...> 9/26/2012

Shaw normally tests about 100 ticks per season at ESU's diagnostic laboratory, but people started sending in ticks as early as January and February this year. She estimates she tested at least 150 this year.

Test Kit Availability

Lyme-Aid Diagnostic Tick testing Kit will be available next month at Dunkelberger's Sports Outfitter

on Main Street in Stroudsburg.

ESU student takes on ticks | PoconoRecord.com Page 3 of 3

<http://www.poconorecord.com/apps/pbcs.dll/article?AID=/20120920/NEWS/209200338/-1/NEW...> 9/26/2012

Academic and Student Affairs Committee Meeting

October 11, 2012

SUBJECT: Dr. Marian Tzolov and Lock Haven University of Pennsylvania – U.S. Patent and Trademark Office (INFORMATION)

UNIVERSITIES AFFECTED: All

BACKGROUND: Dr. Marian Tzolov, Associate Professor in the Department of Geology and Physics at Lock Haven University, devised a method for simplifying the production of electroluminescent lighting. His research on polymer light-emitting diodes (PLED) involves an electroluminescent conductive polymer that emits light when connected to external voltage. PLED's are used as a thin film for full-spectrum color displays and are quite efficient for the amount of light produced. Dr. Tzolov engaged undergraduate students in his research. One of his students was a co-inventor with Dr. Tzolov on the patent application.

The invention received a positive assessment of its commercial potential in this "high risk/high reward" area from professional technology licensing officers. Dr. Tzolov and Lock Haven University benefited from expert professional and legal advice through the entire patent process, provided by the PASSHE Technology Transfer and Commercialization Resource Network, involving all PASSHE Universities, the Penn State Research Foundation, and several patent counsel. After several responses to issues raised by the US Patent and Trademark Office, the Patent will be issued in November.

Tzolov's invention will be listed on [iBridge](#), a national network sponsored by the Kauffman Innovation Network, Inc., to showcase University technology and assist industry in finding new technology that addresses their needs.

Supporting Documents Included: N/A

Other Supporting Documents Available: For more information go to:

http://www.passhe.edu/inside/asa/resources/technologytransfer/Pages/Profiles.aspx?q=LO_P_LED and <http://www.passhe.edu/inside/asa/resources/technologytransfer/default.aspx>

Reviewed by: N/A

Prepared by: James D. Moran

Telephone: (717) 720-4200

Academic and Student Affairs Committee

October 11, 2012

SUBJECT: Presentation of Veterans' Programs, Shippensburg University of Pennsylvania
(INFORMATION)

UNIVERSITIES AFFECTED: All

BACKGROUND: Robert E. Smith, Associate Dean of Students at Shippensburg University of Pennsylvania, and Matthew Wagner, a veteran of the U.S. Military, will present information about the programs for student veterans at Shippensburg University.

Mr. Smith has been at Shippensburg University since 1989 and has worked with veterans for the past two years. He graduated from St. Lawrence University in Canton, New York, with a master's degree in counseling.

Mr. Wagner, 23, served in the United States Marine Corps and received an honorable discharge on July 15, 2011. He was a Combat Engineer with the 1st Combat Engineer Battalion, 1st Marine Division, at Camp Pendleton in California. He is currently a sophomore at Shippensburg University.

Supporting Documents Included: N/A

Other Supporting Documents Available: N/A

Reviewed by: N/A

Prepared by: William N. Ruud

Telephone: (717) 477-1301



External Relations Committee Meeting

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

Thursday, October 11, 2012

Agenda

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Committee Members: Jonathan B. Mack (*Chair*), Marie A. Conley, Bonnie L. Keener, Joseph F. McGinn, Robert S. Taylor and Guido M. Pichini (*ex officio*).

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

External Relations Committee Meeting

October 11, 2012

SUBJECT: Advocacy Update (INFORMATION)

UNIVERSITIES AFFECTED: All

BACKGROUND: A report on advocacy efforts will be provided at the Board meeting.

Supporting Documents Included: N/A

Other Supporting Documents Available: N/A

Reviewed by: N/A

Prepared by: Karen S. Ball

Telephone: (717) 720-4053

External Relations Committee Meeting

October 11, 2012

SUBJECT: Legislative Update (INFORMATION)

UNIVERSITIES AFFECTED: All

BACKGROUND: A report on recent legislative activity will be provided at the Board meeting.

Supporting Documents Included: N/A

Other Supporting Documents Available: N/A

Reviewed by: N/A

Prepared by: Karen S. Ball

Telephone: (717) 720-4053

External Relations Committee Meeting

October 11, 2012

SUBJECT: Higher Education Modernization Act (HEMA) Update (INFORMATION)

UNIVERSITIES AFFECTED: All

BACKGROUND: A report on the Higher Education Modernization Act (HEMA) will be provided at the Board meeting.

Supporting Documents Included: N/A

Other Supporting Documents Available: N/A

Reviewed by: N/A

Prepared by: Karen S. Ball

Telephone: (717) 720-4053



Finance, Administration, and Facilities Committee Meeting

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

Thursday, October 11, 2012

Agenda

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Committee Members: C.R. "Chuck" Pennoni (Chair), Jennifer G. Branstetter (designee for Governor Thomas W. Corbett), Representative Michael K. Hanna, Ronald G. Henry, Kenneth M. Jarin, Harold C. Shields, and Guido M. Pichini (ex officio).

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

Finance, Administration, and Facilities Committee Meeting

October 11, 2012

SUBJECT: Educational and General Operating Budgets for Pennsylvania State System of Higher Education (PASSHE) Entities (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: Act 188 of 1982 requires the Board of Governors to approve the operating budgets for PASSHE entities annually. This process is to be completed in accordance with the Board's approval of the operating budget requests for the ensuing fiscal year.

The Educational and General (E&G) budgets for each of the 14 universities and the Office of the Chancellor are presented in the attached pages. This information includes anticipated revenues and expenditures by major category for the current and request years. The committee will also review the underlying assumptions regarding enrollment, human resources costs, and inflationary factors upon which the budget estimates are built for fiscal years 2012/13 and 2013/14.

Given that collective bargaining agreements have expired and successor agreements are currently being negotiated for approximately 56% of PASSHE's E&G employees, only salary and wage changes specified in existing agreements are included in compensation estimates for fiscal years 2012/13 and 2013/14. Universities submit unbalanced budgets for 2013/14 since they are instructed not to incorporate changes in appropriation levels or tuition rates. System-wide recommendations concerning PASSHE's appropriation request will be developed by the Finance, Administration, and Facilities Committee on October 11, 2012, in accordance with Agenda Item #2.

Based upon the committee's review, and with an appreciation that the revenue and expenditure assumptions are subject to revision, it is recommended that the Board approve the operating budgets for PASSHE entities.

MOTION: That the Board of Governors approve the attached Educational and General operating budgets for PASSHE entities for fiscal year 2012/13.

Supporting Documents Included: Educational and General Operating Budget Summaries for Pennsylvania State System of Higher Education Entities for Fiscal Years 2012/13 and 2013/14

Other Supporting Documents Available: N/A

Reviewed by: Office of the Chancellor

Prepared by: James S. Dillon

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Educational and General Operating Budget Summaries for Pennsylvania State System of Higher Education Entities

Act 188 of 1982 requires PASSHE's budget request to be developed based upon university needs. PASSHE universities were provided with instructions to develop their 2013/14 Educational and General (E&G) budget requests, which include anticipated changes in salaries, benefits, and other cost categories. E&G budgets support ongoing general academic, administrative, and physical operations; restricted (sponsored programs and most financial aid) and auxiliary (dining, housing, recreation and student centers) activities are excluded. Universities provide budget estimates for the current year (2012/13) and request year (2013/14).

While state appropriations are a diminishing portion of PASSHE's revenue, most PASSHE universities are experiencing enrollment declines with a corresponding adverse effect on tuition and fee revenues. At the same time, much of PASSHE's compensation expenditure requirements for 2012/13 and 2013/14 remain unknown due to ongoing negotiations with the Association of Pennsylvania State College and University Faculties (APSCUF) for both faculty and coaches, and the State College and University Professional Association (SCUPA). In the midst of these uncertain fiscal circumstances, PASSHE's emphasis continues to be on addressing the structural gap between revenues and expenses through strategic changes to its business models to ensure financial sustainability.

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. Expenditure estimates and projections for university-based revenue sources are used to determine PASSHE's budget request parameters. Below are explanations of the revenue and expenditure expectations for PASSHE universities and the Office of the Chancellor for 2012/13 and 2013/14, as submitted by the universities and reviewed by the Office of the Chancellor. A summary for each entity is provided in the following pages.

Fiscal Year 2012/13 Highlights Revenue/Sources

Tuition—The Board of Governors approved a 3.0% tuition rate increase for fiscal year 2012/13. After 14 straight years of increasing enrollments, some universities experienced reductions in academic year 2011/12 enrollment, resulting in a 2% decline in PASSHE's annualized full-time equivalent (FTE) enrollment. Preliminary fall 2012 enrollment statistics indicate a continuing headcount enrollment decline at all but three PASSHE universities, totaling 3.2%. The 2012/13 budget projections were built upon an overall reduction of almost 3,000 FTE students, or 2.7%. Contributing factors are the general economic environment and declining numbers of high school graduates. In addition, changes in state and local policies regarding advanced degrees for teachers

contributed to an overall decline in graduate enrollment. University-specific FTE enrollment projections vary, ranging from a 10.4% decrease at California University to a 2.4% increase at West Chester University.

Fees—The universities' councils of trustees set 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 expected to generate \$43.0 million in revenue for instructional technology purposes. Changes in university mandatory fees range from a 10.4% reduction at California University to a 12.7% increase at East Stroudsburg University.

State Appropriation—PASSHE's 2012/13 E&G appropriation of \$412.8 million represents level funding from the prior year. The state appropriation is allocated to universities through two methods: approximately \$36 million is distributed based upon performance; the remaining is distributed through PASSHE's allocation formula, which is highly enrollment driven. Performance funding awards for 2012/13 have been made and are reflected in each university's state appropriations. State appropriations reflected in 2013/14 are estimated as the same received by each university in 2012/13.

All Other Revenue—Included in this category are 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 until these revenues are received, but also limit expenditures supported by these specific revenue streams in their budget estimates.

Use of Carryforward Fund Balance—From time to time, some universities may have the opportunity, either through greater than anticipated enrollment/revenue growth or through disciplined multiyear planning, to set aside revenues for future year activities. This is represented by a negative number in Use of Carryforward Fund Balance. When a university is using funds carried forward from a previous year, a positive number will appear on this line. This practice is a management tool allowing universities to anticipate and fund large one-time purchases and multiyear projects. Typical initiatives funded in this manner include new academic programs, major equipment purchases and upgrades, facilities improvements, and transitions through demographic changes. Since Carryforward funds are one-time in nature, a corresponding one-time expenditure is associated with the use of these funds. Most universities reflect a use of Carryforward funds in 2012/13 either to partially replace revenues lost from enrollment declines or for specific capital projects and new academic initiatives.

Expenditures/Transfers

Compensation—In 2011/12, PASSHE employed over 500 fewer headcount employees than in 2008/09. Given the Commonwealth budget challenges throughout most of

2011/12, most positions vacated during 2011/12 were either frozen or eliminated. As a result, about half of PASSHE's universities are planning to fill certain key positions in 2012/13. Even with these limited complement increases, in total there are fewer E&G FTE positions budgeted in 2012/13 than in the prior year.

For approximately 56% of PASSHE's E&G employees, salary and wage rates are unknown since collective bargaining agreements have ended and successor agreements are currently under negotiation. No wage adjustments have been made for unions without existing agreements; this is not to be viewed as a bargaining position. Only adjustments required by ratified contracts are budgeted for 2012/13. Employee benefits allow multiple choices for health care and retirement programs. Each university's mix of employees among bargaining units, the benefits choices they make, and their years of service result in varying increases in personnel costs. Universities budget compensation expenses based upon anticipated filled positions, taking into consideration retirements, vacancies, and regular annual turnover in employee complement.

Salaries and Wages—Compensation for 2012/13 includes general pay and increment increases for workers in the following unions: American Federation of State, County and Municipal Employees (AFSCME); Pennsylvania Doctors' Alliance (PDA); Office of Professional Employees International Union Healthcare Pennsylvania (OPEIU, for nurses); Security, Police, and Fire Professionals of America (SPFPA); and Pennsylvania Social Services Union (PSSU). The fiscal impact of these increases ranges from 0.9% to 1.8% by bargaining unit.

Benefits—The vast majority of PASSHE's employees are enrolled in either the System's PPO health care plan or the Commonwealth's Pennsylvania Employees Benefit Trust Fund (PEBTF) program for health benefits. PASSHE's PPO costs increased 4.3%, while the PEBTF employer costs reflected in the new AFSCME agreement increased 0.1%. PASSHE's retiree health care costs decreased 5.8%, while the Commonwealth's retiree health care costs increased 6.3%. The most common rates for the State Employees' Retirement System (SERS) and Public School Employees' Retirement System (PSERS), in which almost half of PASSHE employees participate, increased approximately 50% and 43%, respectively. In total, employee benefits expenses are projected to increase 9%.

Utilities—Each university's utilities costs vary widely, depending on mix of utilities (gas, coal, oil, electricity), local providers, contractual obligations, usage, energy savings projects, and changes in space. Fiscal year 2011/12 included an unusually mild winter and a corresponding reduction in utilities usage. Fiscal year 2012/13 utilities costs reflect more typical usage levels and a return to normal rate increases since electric deregulation has been fully implemented. In total, utilities are estimated to increase an average of 8.6%.

Services and Supplies—Expenditures in this category support all the day-to-day university operations, including professional services; teaching, office, and custodial supplies; travel; subscriptions and memberships; postage; student aid expenditures; and

leases. Costs in several commodity areas were contained through System-wide strategically sourced procurements. In addition, universities routinely purchase products and services under Commonwealth contracts to reduce costs. During 2012/13, service and supply expenditures are expected to increase on average 6.1%. Most of these increases are one-time activities associated with designated one-time fund sources; university experiences vary.

Capital Expenditures and Transfers—Capital expenditures and transfers represent PASSHE's investment in its physical resources from the E&G budget. 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. PASSHE budgets these expenditures on a cash basis, rather than budgeting depreciation. University transfers generally fund physical plant expenditures and debt. Some transfers may reflect a commitment for future projects. University capital expenditures and transfers can vary widely from year to year.

Fiscal Year 2013/14 Highlights Revenue/Sources

PASSHE university 2013/14 expenditure estimates and projections for university-based revenue sources are used to determine the System's budget request parameters. The universities are instructed to submit unbalanced budgets for the request year to allow for a candid assessment of resources and expenditure requirements. Only essential cost increases are incorporated in 2013/14 expenditure estimates; universities continue to incorporate reallocations to align their budgets with the strategic direction and today's fiscal realities of limited resources and improved efficiencies. Based upon this review, an appropriation request will be developed. No attempt has been made to balance each university's budget, as they reflect no change in tuition rates or appropriations.

Tuition—Changes in tuition revenue reflect the impact of projected changes in annualized FTE enrollment. PASSHE's 2013/14 annualized FTE enrollment is anticipated to remain level or increase slightly; six universities project enrollment increases. Changes in student mix (e.g., full-time versus part-time, residency, and student level) also affect tuition estimates for 2013/14. No assumptions are made concerning tuition rate increases at this time; however, a tuition increase of approximately 4.1% would be necessary to balance PASSHE's proposed 2013/14 budget with no change in appropriations.

Fees—Included in this category are the Technology Tuition Fee, which is established by the Board of Governors, and all university-based student fees. Since the universities' Councils of Trustees set student fee rates each spring, changes in mandatory fees typically reflect only adjustments due to anticipated enrollment. Instructional support and Technology Tuition Fee increases occur in concert with the general tuition rate.

State Appropriation—The 2013/14 state appropriation for each university reflects its current year (2012/13) allocation of the E&G appropriation through the allocation

formula and performance funding. Although each university's allocation of the appropriations will change based upon the allocation formula and performance funding results, no adjustments have been made to anticipate the impact of those changes. The state appropriation reflects continued funding of the E&G appropriation at its current level. The Finance, Administration, and Facilities Committee of the Board of Governors will make a recommendation for consideration of an appropriation request that may differ from this appropriation assumption.

All Other Revenue—As in 2012/13, most universities do not anticipate increases and/or continuation of certain miscellaneous revenue sources until these revenues are received. In addition, they limit expenditures supported by these specific revenue streams in their budget estimates.

Use of Carryforward Fund Balance—Some universities have identified Carryforward funds to support their continued transition to changing enrollment, one-time purchases, and multiyear projects. Typical initiatives funded in this manner include new academic programs, major equipment purchases and upgrades, facilities improvements, and transitions through demographic changes.

Expenditures/Transfers

Compensation—In general, universities are anticipating a slight decrease in employee complement in 2013/14. This marks five straight years of overall reductions in budgeted positions in light of ongoing financial challenges and work force planning efforts. Many of these reductions were the result of retirements; 487 employees retired in the 2011 calendar year.

Salaries and Wages—Compensation requirements for approximately 56% of PASSHE's E&G employees are established in collective bargaining agreements that ended June 30, 2011, for which successor agreements are currently being negotiated. Therefore, no changes in pay requirements for unknown contracts have been incorporated in these estimates; this is not to be viewed as a bargaining position. The 2013/14 wage requirements for AFSCME average 1.6% for July 2013 and January 2014 general pay increases of 0.5% each and an April 2014 increment. A similar salary increase is also included for nonrepresented employees. Overall, a 0.6% increase in salaries and wages is anticipated.

Benefits—Preliminary health care rate changes for 2013/14 include increases in PASSHE's various health care options of 7% for faculty, coaches, and management. The Commonwealth's PEBTF health care costs will increase 9% in accordance with the AFSCME contract, while the Commonwealth's health care costs for retirees are anticipated to increase 15%. The most common pension contribution rates for SERS and PSERS are projected to increase 45% and 36%, respectively, as specified by the Commonwealth's budget instructions. Retirement rates associated with the alternative retirement programs remain constant, although retirement and social security costs increase as salaries and wages increase. Overall, a 9% increase in benefits costs is anticipated based on

these rate assumptions. University experiences vary significantly based upon the benefits programs their employees choose and changes in complement.

Utilities—Each university's utilities costs vary, depending on mix of utilities (gas, coal, oil, electricity), local providers, usage, energy savings projects, and changes in space. Utilities cost increases reflect normal rate increases, since electric deregulation is fully implemented, and continued energy savings initiatives. PASSHE's combined utilities costs are anticipated to increase 2.3%.

Services and Supplies—For 2013/14, universities estimate relatively constant expenditures in services, supplies, and materials, with an overall increase of 0.2%. University experiences vary significantly, ranging from a 6.0% reduction at Bloomsburg University to a 5.4% increase at Clarion University. Significant fluctuations tend to be associated with those universities that reflect a use of Carryforward for one-time initiatives.

Capital Expenditures and Transfers—Capital Expenditures may increase or decrease, depending upon the level of one-time facilities improvements and equipment purchases in each year. Most universities using Carryforward funds in 2012/13 for investments in specific capital projects show a reduction of capital expenditures and transfers in 2013/14. Most other institutions are continuing their current level of commitment to major physical plant, equipment, and library expenditures into 2013/14. Overall, PASSHE's 2013/14 capital expenditures and transfers are projected to increase 1.7%, though university experiences vary significantly.

Revenue/Sources Less Expenditures/Transfers—As previously mentioned, universities submit unbalanced budgets for 2013/14. No attempt was made to balance each university's budget, as no assumptions have been made regarding potential changes to appropriations and/or tuition rates. Based upon these submissions, a proposed appropriation request and corresponding tuition rate assumptions will be developed by the Finance, Administration, and Facilities Committee of the Board of Governors at its meeting on October 11, 2012. The shortfall reflected in each university's 2013/14 budget presentation on the following pages reflects each university's funding requirements, given the assumptions discussed in this overview.

Board of Governors Budget Request Summary
 Bloomsburg University of Pennsylvania

| Educational & General Budget | | | Dollar | Percent |
|--|----------------------|----------------------|----------------------|--------------|
| Revenue/Sources | FY 2012/13 | FY 2013/14 | Change | Change |
| Tuition | \$78,095,707 | \$79,148,582 | \$1,052,875 | 1.3% |
| Fees | 14,306,396 | 14,425,346 | 118,950 | 0.8% |
| State Appropriation | 33,525,055 | 33,525,055 | 0 | 0.0% |
| All Other Revenue | 4,213,713 | 4,213,713 | 0 | 0.0% |
| Use of Carryforward Fund Balance | 5,599,023 | 1,666,725 | (3,932,298) | -70.2% |
| Total Revenue/Sources | \$135,739,894 | \$132,979,421 | (\$2,760,473) | -2.0% |
| Expenditures and Transfers | | | | |
| <u>Compensation Summary:</u> | | | | |
| Salaries & Wages | \$64,924,433 | \$65,842,652 | \$918,219 | 1.4% |
| Benefits | 28,581,184 | 31,310,064 | 2,728,880 | 9.5% |
| Subtotal, Compensation | \$93,505,617 | \$97,152,716 | \$3,647,099 | 3.9% |
| <u>Noncompensation Summary:</u> | | | | |
| Utilities | \$2,911,040 | \$2,970,061 | \$59,021 | 2.0% |
| Services & Supplies | 25,824,999 | 24,269,455 | (1,555,544) | -6.0% |
| Capital Expenditures & Transfers | 13,498,238 | 10,783,506 | (2,714,732) | -20.1% |
| Subtotal, Noncompensation | \$42,234,277 | \$38,023,022 | (\$4,211,255) | -10.0% |
| Total Expenditures and Transfers | \$135,739,894 | \$135,175,738 | (\$564,156) | -0.4% |
| Revenue/Sources less Expenditures/Transfers | \$0 | (\$2,196,317) | | |

| Annualized FTE Enrollment | | | | Percent |
|-----------------------------|-----------------|-----------------|--------------|-------------|
| | FY 2012/13 | FY 2013/14 | Change | change |
| Resident Undergraduate | 7,795.72 | 7,820.97 | 25.25 | 0.3% |
| Nonresident Undergraduate | 1,162.58 | 1,197.02 | 34.44 | 3.0% |
| Resident Graduate | 630.54 | 630.53 | (0.01) | 0.0% |
| Nonresident Graduate | 76.66 | 76.66 | 0.00 | 0.0% |
| Total FTE Enrollment | 9,665.50 | 9,725.18 | 59.68 | 0.6% |

| E&G FTE Employees | | | | Percent |
|-------------------------------------|-----------------|-----------------|-------------|-------------|
| | FY 2012/13 | FY 2013/14 | Change | Change |
| Faculty | 498.50 | 498.50 | 0.00 | 0.0% |
| AFSCME | 327.38 | 327.38 | 0.00 | 0.0% |
| Nonrepresented | 91.08 | 91.08 | 0.00 | 0.0% |
| SCUPA | 43.00 | 43.00 | 0.00 | 0.0% |
| All Other | 54.64 | 54.64 | 0.00 | 0.0% |
| Total Budgeted FTE Employees | 1,014.60 | 1,014.60 | 0.00 | 0.0% |

Board of Governors Budget Request Summary
 California University of Pennsylvania

| Educational & General Budget | | | Dollar | Percent |
|--|----------------------|----------------------|----------------------|--------------|
| Revenue/Sources | FY 2012/13 | FY 2013/14 | Change | Change |
| Tuition | \$62,432,500 | \$59,916,474 | (\$2,516,026) | -4.0% |
| Fees | 11,467,036 | 11,004,915 | (462,121) | -4.0% |
| State Appropriation | 30,478,134 | 30,478,134 | 0 | 0.0% |
| All Other Revenue | 4,152,000 | 4,152,000 | 0 | 0.0% |
| Use of Carryforward Fund Balance | 2,501,879 | 2,401,197 | (100,682) | -4.0% |
| Total Revenue/Sources | \$111,031,549 | \$107,952,720 | (\$3,078,829) | -2.8% |
| Expenditures and Transfers | | | | |
| <u>Compensation Summary:</u> | | | | |
| Salaries & Wages | \$54,250,073 | \$52,613,263 | (\$1,636,810) | -3.0% |
| Benefits | 22,206,804 | 24,233,405 | 2,026,601 | 9.1% |
| Subtotal, Compensation | \$76,456,877 | \$76,846,668 | \$389,791 | 0.5% |
| <u>Noncompensation Summary:</u> | | | | |
| Utilities | \$2,879,825 | \$2,935,425 | \$55,600 | 1.9% |
| Services & Supplies | 24,140,000 | 24,140,000 | 0 | 0.0% |
| Capital Expenditures & Transfers | 7,554,847 | 7,557,185 | 2,338 | 0.0% |
| Subtotal, Noncompensation | \$34,574,672 | \$34,632,610 | \$57,938 | 0.2% |
| Total Expenditures and Transfers | \$111,031,549 | \$111,479,278 | \$447,729 | 0.4% |
| Revenue/Sources less Expenditures/Transfers | | | | |
| | \$0 | (\$3,526,558) | | |

| Annualized FTE Enrollment | | | | Percent |
|-----------------------------|-----------------|-----------------|-----------------|--------------|
| | FY 2012/13 | FY 2013/14 | Change | Change |
| Resident Undergraduate | 5,716.00 | 5,486.00 | (230.00) | -4.0% |
| Nonresident Undergraduate | 483.00 | 463.00 | (20.00) | -4.1% |
| Resident Graduate | 1,318.00 | 1,265.00 | (53.00) | -4.0% |
| Nonresident Graduate | 514.00 | 493.00 | (21.00) | -4.1% |
| Total FTE Enrollment | 8,031.00 | 7,707.00 | (324.00) | -4.0% |

| E&G FTE Employees | | | | Percent |
|-------------------------------------|---------------|---------------|---------------|--------------|
| | FY 2012/13 | FY 2013/14 | Change | Change |
| Faculty | 308.00 | 301.00 | (7.00) | -2.3% |
| AFSCME | 216.00 | 216.00 | 0.00 | 0.0% |
| Nonrepresented | 95.00 | 93.00 | (2.00) | -2.1% |
| SCUPA | 66.00 | 66.00 | 0.00 | 0.0% |
| All Other | 49.00 | 49.00 | 0.00 | 0.0% |
| Total Budgeted FTE Employees | 734.00 | 725.00 | (9.00) | -1.2% |

Board of Governors Budget Request Summary
 Cheyney University of Pennsylvania

| Educational & General Budget | | | Dollar | Percent |
|--|----------------------|----------------------|------------------|-------------|
| Revenue/Sources | FY 2012/13 | FY 2013/14 | Change | Change |
| Tuition | \$9,373,872 | \$9,759,465 | \$385,593 | 4.1% |
| Fees | 2,151,674 | 2,278,270 | 126,596 | 5.9% |
| State Appropriation | 12,842,370 | 12,842,370 | 0 | 0.0% |
| All Other Revenue | 408,500 | 609,406 | 200,906 | 49.2% |
| Use of Carryforward Fund Balance | 0 | 0 | 0 | n/a |
| Total Revenue/Sources | \$24,776,416 | \$25,489,511 | \$713,095 | 2.9% |
| Expenditures and Transfers | | | | |
| <u>Compensation Summary:</u> | | | | |
| Salaries & Wages | \$12,778,255 | \$12,862,750 | \$84,495 | 0.7% |
| Benefits | 5,921,251 | 6,307,280 | 386,029 | 6.5% |
| Subtotal, Compensation | \$18,699,506 | \$19,170,030 | \$470,524 | 2.5% |
| <u>Noncompensation Summary:</u> | | | | |
| Utilities | \$1,030,144 | \$1,050,747 | \$20,603 | 2.0% |
| Services & Supplies | 7,024,876 | 7,158,374 | 133,498 | 1.9% |
| Capital Expenditures & Transfers | 1,507,681 | 1,529,354 | 21,673 | 1.4% |
| Subtotal, Noncompensation | \$9,562,701 | \$9,738,474 | \$175,773 | 1.8% |
| Total Expenditures and Transfers | \$28,262,207 | \$28,908,504 | \$646,297 | 2.3% |
| Revenue/Sources less Expenditures/Transfers | (\$3,485,791) | (\$3,418,993) | | |

| Annualized FTE Enrollment | | | | Percent |
|-----------------------------|-----------------|-----------------|--------------|-------------|
| | FY 2012/13 | FY 2013/14 | Change | change |
| Resident Undergraduate | 997.00 | 1,025.00 | 28.00 | 2.8% |
| Nonresident Undergraduate | 251.00 | 258.00 | 7.00 | 2.8% |
| Resident Graduate | 30.00 | 33.00 | 3.00 | 10.0% |
| Nonresident Graduate | 4.00 | 6.00 | 2.00 | 50.0% |
| Total FTE Enrollment | 1,282.00 | 1,322.00 | 40.00 | 3.1% |

| E&G FTE Employees | | | | Percent |
|-------------------------------------|---------------|---------------|-------------|-------------|
| | FY 2012/13 | FY 2013/14 | Change | Change |
| Faculty | 81.72 | 81.72 | 0.00 | 0.0% |
| AFSCME | 59.00 | 59.00 | 0.00 | 0.0% |
| Nonrepresented | 34.80 | 34.80 | 0.00 | 0.0% |
| SCUPA | 8.00 | 8.00 | 0.00 | 0.0% |
| All Other | 19.49 | 19.49 | 0.00 | 0.0% |
| Total Budgeted FTE Employees | 203.01 | 203.01 | 0.00 | 0.0% |

Board of Governors Budget Request Summary
Clarion University of Pennsylvania

| Educational & General Budget | | | Dollar | Percent |
|--|---------------------|---------------------|--------------------|----------------|
| Revenue/Sources | FY 2012/13 | FY 2013/14 | Change | Change |
| Tuition | \$41,052,680 | \$41,873,734 | \$821,054 | 2.0% |
| Fees | 11,838,576 | 12,063,626 | 225,050 | 1.9% |
| State Appropriation | 22,596,328 | 22,596,328 | 0 | 0.0% |
| All Other Revenue | 3,377,532 | 3,377,532 | 0 | 0.0% |
| Use of Carryforward Fund Balance | 0 | 0 | 0 | n/a |
| Total Revenue/Sources | \$78,865,116 | \$79,911,220 | \$1,046,104 | 1.3% |
| Expenditures and Transfers | | | | |
| <u>Compensation Summary:</u> | | | | |
| Salaries & Wages | \$43,488,960 | \$44,482,595 | \$993,635 | 2.3% |
| Benefits | 18,381,612 | 20,015,474 | 1,633,862 | 8.9% |
| Subtotal, Compensation | \$61,870,572 | \$64,498,069 | \$2,627,497 | 4.2% |
| <u>Noncompensation Summary:</u> | | | | |
| Utilities | \$1,992,112 | \$2,031,954 | \$39,842 | 2.0% |
| Services & Supplies | 12,667,872 | 13,349,358 | 681,486 | 5.4% |
| Capital Expenditures & Transfers | 2,334,560 | 2,347,547 | 12,987 | 0.6% |
| Subtotal, Noncompensation | \$16,994,544 | \$17,728,859 | \$734,315 | 4.3% |
| Total Expenditures and Transfers | \$78,865,116 | \$82,226,928 | \$3,361,812 | 4.3% |
| Revenue/Sources less Expenditures/Transfers | | | | |
| | \$0 | (\$2,315,708) | | |

| Annualized FTE Enrollment | | | | Percent |
|----------------------------------|-------------------|-------------------|---------------|----------------|
| | FY 2012/13 | FY 2013/14 | Change | change |
| Resident Undergraduate | 4,774.45 | 4,870.00 | 95.55 | 2.0% |
| Nonresident Undergraduate | 269.22 | 275.00 | 5.78 | 2.1% |
| Resident Graduate | 455.59 | 465.00 | 9.41 | 2.1% |
| Nonresident Graduate | 248.12 | 253.00 | 4.88 | 2.0% |
| Total FTE Enrollment | 5,747.38 | 5,863.00 | 115.62 | 2.0% |

| E&G FTE Employees | | | | Percent |
|-------------------------------------|-------------------|-------------------|---------------|----------------|
| | FY 2012/13 | FY 2013/14 | Change | Change |
| Faculty | 290.95 | 290.95 | 0.00 | 0.0% |
| AFSCME | 191.78 | 191.78 | 0.00 | 0.0% |
| Nonrepresented | 73.15 | 73.15 | 0.00 | 0.0% |
| SCUPA | 21.20 | 21.20 | 0.00 | 0.0% |
| All Other | 36.90 | 36.90 | 0.00 | 0.0% |
| Total Budgeted FTE Employees | 613.98 | 613.98 | 0.00 | 0.0% |

Board of Governors Budget Request Summary

East Stroudsburg University of Pennsylvania

| Educational & General Budget Revenue/Sources | FY 2012/13 | FY 2013/14 | Dollar Change | Percent Change |
|--|---------------------|----------------------|--------------------|-------------------|
| Tuition | \$60,806,228 | \$61,414,290 | \$608,062 | 1.0% |
| Fees | 10,915,724 | 11,074,461 | 158,737 | 1.5% |
| State Appropriation | 20,806,735 | 20,806,735 | 0 | 0.0% |
| All Other Revenue | 3,598,958 | 3,670,911 | 71,953 | 2.0% |
| Use of Carryforward Fund Balance | 1,042,126 | 0 | (1,042,126) | -100.0% |
| Total Revenue/Sources | \$97,169,772 | \$96,966,398 | (\$203,374) | -0.2% |
| Expenditures and Transfers | | | | |
| <u>Compensation Summary:</u> | | | | |
| Salaries & Wages | \$47,293,454 | \$47,743,898 | \$450,444 | 1.0% |
| Benefits | 19,123,306 | 20,763,045 | 1,639,739 | 8.6% |
| Subtotal, Compensation | \$66,416,760 | \$68,506,943 | \$2,090,183 | 3.1% |
| <u>Noncompensation Summary:</u> | | | | |
| Utilities | \$2,310,040 | \$2,348,387 | \$38,347 | 1.7% |
| Services & Supplies | 16,729,224 | 17,015,876 | 286,652 | 1.7% |
| Capital Expenditures & Transfers | 11,713,748 | 11,852,372 | 138,624 | 1.2% |
| Subtotal, Noncompensation | \$30,753,012 | \$31,216,634 | \$463,622 | 1.5% |
| Total Expenditures and Transfers | \$97,169,772 | \$99,723,577 | \$2,553,805 | 2.6% |
| Revenue/Sources less Expenditures/Transfers | \$0 | (\$2,757,179) | | |

| Annualized FTE Enrollment | FY 2012/13 | FY 2013/14 | Change | Percent change |
|-----------------------------|-----------------|-----------------|--------------|-------------------|
| Resident Undergraduate | 4,451.37 | 4,495.89 | 44.52 | 1.0% |
| Nonresident Undergraduate | 1,554.55 | 1,570.09 | 15.54 | 1.0% |
| Resident Graduate | 426.51 | 430.77 | 4.26 | 1.0% |
| Nonresident Graduate | 105.11 | 106.16 | 1.05 | 1.0% |
| Total FTE Enrollment | 6,537.54 | 6,602.91 | 65.37 | 1.0% |

| E&G FTE Employees | FY 2012/13 | FY 2013/14 | Change | Percent Change |
|-------------------------------------|---------------|---------------|-------------|-------------------|
| Faculty | 319.12 | 319.12 | 0.00 | 0.0% |
| AFSCME | 185.71 | 185.71 | 0.00 | 0.0% |
| Nonrepresented | 86.79 | 86.79 | 0.00 | 0.0% |
| SCUPA | 29.75 | 29.75 | 0.00 | 0.0% |
| All Other | 36.95 | 36.95 | 0.00 | 0.0% |
| Total Budgeted FTE Employees | 658.32 | 658.32 | 0.00 | 0.0% |

Board of Governors Budget Request Summary
Edinboro University of Pennsylvania

| Educational & General Budget | | | Dollar | Percent |
|--|---------------------|---------------------|--------------------|----------------|
| Revenue/Sources | FY 2012/13 | FY 2013/14 | Change | Change |
| Tuition | \$51,244,759 | \$51,244,759 | \$0 | 0.0% |
| Fees | 11,249,617 | 11,249,617 | 0 | 0.0% |
| State Appropriation | 25,571,584 | 25,571,584 | 0 | 0.0% |
| All Other Revenue | 4,569,781 | 4,569,781 | 0 | 0.0% |
| Use of Carryforward Fund Balance | 1,906,356 | 1,906,356 | 0 | 0.0% |
| Total Revenue/Sources | \$94,542,097 | \$94,542,097 | \$0 | 0.0% |
| Expenditures and Transfers | | | | |
| <u>Compensation Summary:</u> | | | | |
| Salaries & Wages | \$49,679,512 | \$49,884,399 | \$204,887 | 0.4% |
| Benefits | 21,849,460 | 23,656,782 | 1,807,322 | 8.3% |
| Subtotal, Compensation | \$71,528,972 | \$73,541,181 | \$2,012,209 | 2.8% |
| <u>Noncompensation Summary:</u> | | | | |
| Utilities | \$2,610,213 | \$2,752,417 | \$142,204 | 5.4% |
| Services & Supplies | 15,460,195 | 15,834,053 | 373,858 | 2.4% |
| Capital Expenditures & Transfers | 4,942,717 | 4,942,879 | 162 | 0.0% |
| Subtotal, Noncompensation | \$23,013,125 | \$23,529,349 | \$516,224 | 2.2% |
| Total Expenditures and Transfers | \$94,542,097 | \$97,070,530 | \$2,528,433 | 2.7% |
| Revenue/Sources less Expenditures/Transfers | | | | |
| | \$0 | (\$2,528,433) | | |

| Annualized FTE Enrollment | | | Change | Percent change |
|----------------------------------|-------------------|-------------------|---------------|-----------------------|
| | FY 2012/13 | FY 2013/14 | | |
| Resident Undergraduate | 5,037.36 | 5,037.36 | 0.00 | 0.0% |
| Nonresident Undergraduate | 765.38 | 765.38 | 0.00 | 0.0% |
| Resident Graduate | 675.97 | 675.97 | 0.00 | 0.0% |
| Nonresident Graduate | 72.89 | 72.89 | 0.00 | 0.0% |
| Total FTE Enrollment | 6,551.60 | 6,551.60 | 0.00 | 0.0% |

| E&G FTE Employees | | | Change | Percent Change |
|-------------------------------------|-------------------|-------------------|---------------|-----------------------|
| | FY 2012/13 | FY 2013/14 | | |
| Faculty | 375.62 | 375.62 | 0.00 | 0.0% |
| AFSCME | 181.21 | 181.21 | 0.00 | 0.0% |
| Nonrepresented | 70.50 | 70.50 | 0.00 | 0.0% |
| SCUPA | 25.00 | 25.00 | 0.00 | 0.0% |
| All Other | 39.69 | 39.69 | 0.00 | 0.0% |
| Total Budgeted FTE Employees | 692.02 | 692.02 | 0.00 | 0.0% |

Board of Governors Budget Request Summary
Indiana University of Pennsylvania

| Educational & General Budget | | | Dollar | Percent |
|--|----------------------|----------------------|---------------------|-------------|
| Revenue/Sources | FY 2012/13 | FY 2013/14 | Change | Change |
| Tuition | \$105,788,033 | \$105,788,033 | \$0 | 0.0% |
| Fees | 31,741,000 | 31,791,000 | 50,000 | 0.2% |
| State Appropriation | 52,981,220 | 52,981,220 | 0 | 0.0% |
| All Other Revenue | 11,997,351 | 12,032,598 | 35,247 | 0.3% |
| Use of Carryforward Fund Balance | 5,560,043 | 14,965,956 | 9,405,913 | 169.2% |
| Total Revenue/Sources | \$208,067,647 | \$217,558,807 | \$9,491,160 | 4.6% |
| Expenditures and Transfers | | | | |
| <u>Compensation Summary:</u> | | | | |
| Salaries & Wages | \$100,724,939 | \$101,165,340 | \$440,401 | 0.4% |
| Benefits | 43,470,448 | 46,994,007 | 3,523,559 | 8.1% |
| Subtotal, Compensation | \$144,195,387 | \$148,159,347 | \$3,963,960 | 2.7% |
| <u>Noncompensation Summary:</u> | | | | |
| Utilities | \$5,644,585 | \$5,757,476 | \$112,891 | 2.0% |
| Services & Supplies | 34,480,660 | 35,296,691 | 816,031 | 2.4% |
| Capital Expenditures & Transfers | 23,747,015 | 29,954,083 | 6,207,068 | 26.1% |
| Subtotal, Noncompensation | \$63,872,260 | \$71,008,250 | \$7,135,990 | 11.2% |
| Total Expenditures and Transfers | \$208,067,647 | \$219,167,597 | \$11,099,950 | 5.3% |
| Revenue/Sources less Expenditures/Transfers | | | | |
| | \$0 | (\$1,608,790) | | |

| Annualized FTE Enrollment | | | Percent |
|-----------------------------|------------------|------------------|-------------|
| | FY 2012/13 | FY 2013/14 | Change |
| Resident Undergraduate | 11,488.75 | 11,488.75 | 0.00 |
| Nonresident Undergraduate | 1,137.13 | 1,137.13 | 0.00 |
| Resident Graduate | 1,129.82 | 1,129.82 | 0.00 |
| Nonresident Graduate | 436.80 | 436.80 | 0.00 |
| Total FTE Enrollment | 14,192.50 | 14,192.50 | 0.00 |

| E&G FTE Employees | | | Percent |
|-------------------------------------|-----------------|-----------------|-------------|
| | FY 2012/13 | FY 2013/14 | Change |
| Faculty | 668.97 | 668.97 | 0.00 |
| AFSCME | 396.53 | 396.53 | 0.00 |
| Nonrepresented | 175.37 | 175.37 | 0.00 |
| SCUPA | 43.85 | 43.85 | 0.00 |
| All Other | 72.41 | 72.41 | 0.00 |
| Total Budgeted FTE Employees | 1,357.13 | 1,357.13 | 0.00 |

Board of Governors Budget Request Summary
Kutztown University of Pennsylvania

| Educational & General Budget | | | Dollar | Percent |
|--|----------------------|----------------------|----------------------|--------------|
| Revenue/Sources | FY 2012/13 | FY 2013/14 | Change | Change |
| Tuition | \$70,376,972 | \$70,376,972 | \$0 | 0.0% |
| Fees | 12,583,026 | 12,660,337 | 77,311 | 0.6% |
| State Appropriation | 33,787,934 | 33,787,934 | 0 | 0.0% |
| All Other Revenue | 5,058,387 | 5,109,529 | 51,142 | 1.0% |
| Use of Carryforward Fund Balance | 4,841,409 | 2,566,500 | (2,274,909) | -47.0% |
| Total Revenue/Sources | \$126,647,728 | \$124,501,272 | (\$2,146,456) | -1.7% |
| Expenditures and Transfers | | | | |
| <u>Compensation Summary:</u> | | | | |
| Salaries & Wages | \$60,206,275 | \$60,466,350 | \$260,075 | 0.4% |
| Benefits | 26,075,765 | 28,186,043 | 2,110,278 | 8.1% |
| Subtotal, Compensation | \$86,282,040 | \$88,652,393 | \$2,370,353 | 2.7% |
| <u>Noncompensation Summary:</u> | | | | |
| Utilities | \$2,791,849 | \$2,842,186 | \$50,337 | 1.8% |
| Services & Supplies | 23,451,080 | 23,728,463 | 277,383 | 1.2% |
| Capital Expenditures & Transfers | 14,122,759 | 12,464,269 | (1,658,490) | -11.7% |
| Subtotal, Noncompensation | \$40,365,688 | \$39,034,918 | (\$1,330,770) | -3.3% |
| Total Expenditures and Transfers | \$126,647,728 | \$127,687,311 | \$1,039,583 | 0.8% |
| Revenue/Sources less Expenditures/Transfers | \$0 | (\$3,186,039) | | |

| Annualized FTE Enrollment | | | | Percent |
|-----------------------------|-----------------|-----------------|-------------|-------------|
| | FY 2012/13 | FY 2013/14 | Change | Change |
| Resident Undergraduate | 7,600.70 | 7,600.70 | 0.00 | 0.0% |
| Nonresident Undergraduate | 1,009.18 | 1,009.18 | 0.00 | 0.0% |
| Resident Graduate | 396.51 | 396.51 | 0.00 | 0.0% |
| Nonresident Graduate | 21.14 | 21.14 | 0.00 | 0.0% |
| Total FTE Enrollment | 9,027.53 | 9,027.53 | 0.00 | 0.0% |

| E&G FTE Employees | | | | Percent |
|-------------------------------------|---------------|---------------|-------------|-------------|
| | FY 2012/13 | FY 2013/14 | Change | Change |
| Faculty | 477.70 | 477.70 | 0.00 | 0.0% |
| AFSCME | 256.25 | 256.25 | 0.00 | 0.0% |
| Nonrepresented | 119.00 | 119.00 | 0.00 | 0.0% |
| SCUPA | 36.33 | 36.33 | 0.00 | 0.0% |
| All Other | 51.24 | 51.24 | 0.00 | 0.0% |
| Total Budgeted FTE Employees | 940.52 | 940.52 | 0.00 | 0.0% |

Board of Governors Budget Request Summary
 Lock Haven University of Pennsylvania

| Educational & General Budget | | | Dollar | Percent |
|--|---------------------|----------------------|--------------------|-------------|
| Revenue/Sources | FY 2012/13 | FY 2013/14 | Change | Change |
| Tuition | \$38,564,703 | \$38,564,703 | \$0 | 0.0% |
| Fees | 7,229,392 | 7,229,392 | 0 | 0.0% |
| State Appropriation | 19,571,752 | 19,571,752 | 0 | 0.0% |
| All Other Revenue | 1,517,764 | 1,517,764 | 0 | 0.0% |
| Use of Carryforward Fund Balance | 447,040 | 470,559 | 23,519 | 5.3% |
| Total Revenue/Sources | \$67,330,651 | \$67,354,170 | \$23,519 | 0.0% |
| Expenditures and Transfers | | | | |
| <u>Compensation Summary:</u> | | | | |
| Salaries & Wages | \$35,559,822 | \$36,054,552 | \$494,730 | 1.4% |
| Benefits | 15,588,126 | 17,203,179 | 1,615,053 | 10.4% |
| Subtotal, Compensation | \$51,147,948 | \$53,257,731 | \$2,109,783 | 4.1% |
| <u>Noncompensation Summary:</u> | | | | |
| Utilities | \$1,377,090 | \$1,423,782 | \$46,692 | 3.4% |
| Services & Supplies | 9,509,917 | 9,528,568 | 18,651 | 0.2% |
| Capital Expenditures & Transfers | 5,295,696 | 4,956,498 | (339,198) | -6.4% |
| Subtotal, Noncompensation | \$16,182,703 | \$15,908,848 | (\$273,855) | -1.7% |
| Total Expenditures and Transfers | \$67,330,651 | \$69,166,579 | \$1,835,928 | 2.7% |
| Revenue/Sources less Expenditures/Transfers | \$0 | (\$1,812,409) | | |

| Annualized FTE Enrollment | | | Change | Percent |
|-----------------------------|-----------------|-----------------|-------------|-------------|
| | FY 2012/13 | FY 2013/14 | | Change |
| Resident Undergraduate | 4,239.30 | 4,239.30 | 0.00 | 0.0% |
| Nonresident Undergraduate | 371.81 | 371.81 | 0.00 | 0.0% |
| Resident Graduate | 241.81 | 241.81 | 0.00 | 0.0% |
| Nonresident Graduate | 50.92 | 50.92 | 0.00 | 0.0% |
| Total FTE Enrollment | 4,903.84 | 4,903.84 | 0.00 | 0.0% |

| E&G FTE Employees | | | Change | Percent |
|-------------------------------------|---------------|---------------|-------------|-------------|
| | FY 2012/13 | FY 2013/14 | | Change |
| Faculty | 264.25 | 264.25 | 0.00 | 0.0% |
| AFSCME | 161.60 | 162.10 | 0.50 | 0.3% |
| Nonrepresented | 50.70 | 51.70 | 1.00 | 2.0% |
| SCUPA | 19.50 | 19.50 | 0.00 | 0.0% |
| All Other | 38.80 | 38.80 | 0.00 | 0.0% |
| Total Budgeted FTE Employees | 534.85 | 536.35 | 1.50 | 0.3% |

Board of Governors Budget Request Summary
Mansfield University of Pennsylvania

| Educational & General Budget | | | Dollar | Percent |
|--|---------------------|---------------------|--------------------|----------------|
| Revenue/Sources | FY 2012/13 | FY 2013/14 | Change | Change |
| Tuition | \$21,850,000 | \$22,820,866 | \$970,866 | 4.4% |
| Fees | 3,945,000 | 4,115,000 | 170,000 | 4.3% |
| State Appropriation | 16,949,857 | 16,949,857 | 0 | 0.0% |
| All Other Revenue | 2,023,850 | 2,328,850 | 305,000 | 15.1% |
| Use of Carryforward Fund Balance | 1,162,138 | 0 | (1,162,138) | -100.0% |
| Total Revenue/Sources | \$45,930,845 | \$46,214,573 | \$283,728 | 0.6% |
| Expenditures and Transfers | | | | |
| <u>Compensation Summary:</u> | | | | |
| Salaries & Wages | \$25,489,968 | \$25,920,444 | \$430,476 | 1.7% |
| Benefits | 10,832,146 | 11,950,124 | 1,117,978 | 10.3% |
| Subtotal, Compensation | \$36,322,114 | \$37,870,568 | \$1,548,454 | 4.3% |
| <u>Noncompensation Summary:</u> | | | | |
| Utilities | \$1,000,000 | \$1,020,000 | \$20,000 | 2.0% |
| Services & Supplies | 6,689,400 | 6,799,000 | 109,600 | 1.6% |
| Capital Expenditures & Transfers | 1,919,331 | 1,917,707 | (1,624) | -0.1% |
| Subtotal, Noncompensation | \$9,608,731 | \$9,736,707 | \$127,976 | 1.3% |
| Total Expenditures and Transfers | \$45,930,845 | \$47,607,275 | \$1,676,430 | 3.6% |
| Revenue/Sources less Expenditures/Transfers | | | | |
| | \$0 | (\$1,392,702) | | |

| Annualized FTE Enrollment | | | | Percent |
|----------------------------------|-------------------|-------------------|---------------|----------------|
| | FY 2012/13 | FY 2013/14 | Change | Change |
| Resident Undergraduate | 2,104.00 | 2,238.00 | 134.00 | 6.4% |
| Nonresident Undergraduate | 554.45 | 562.95 | 8.50 | 1.5% |
| Resident Graduate | 97.62 | 97.62 | 0.00 | 0.0% |
| Nonresident Graduate | 51.93 | 51.93 | 0.00 | 0.0% |
| Total FTE Enrollment | 2,807.99 | 2,950.49 | 142.50 | 5.1% |

| E&G FTE Employees | | | | |
|-------------------------------------|-------------------|-------------------|---------------|---------------|
| | FY 2012/13 | FY 2013/14 | Change | Change |
| Faculty | 173.00 | 173.00 | 0.00 | 0.0% |
| AFSCME | 126.86 | 126.86 | 0.00 | 0.0% |
| Nonrepresented | 50.35 | 51.00 | 0.65 | 1.3% |
| SCUPA | 13.74 | 13.74 | 0.00 | 0.0% |
| All Other | 26.00 | 26.00 | 0.00 | 0.0% |
| Total Budgeted FTE Employees | 389.95 | 390.60 | 0.65 | 0.2% |

Board of Governors Budget Request Summary
 Millersville University of Pennsylvania

| Educational & General Budget | | | Dollar | Percent |
|--|----------------------|----------------------|----------------------|----------------|
| Revenue/Sources | FY 2012/13 | FY 2013/14 | Change | Change |
| Tuition | \$59,741,423 | \$59,771,336 | \$29,913 | 0.1% |
| Fees | 13,556,966 | 13,622,322 | 65,356 | 0.5% |
| State Appropriation | 30,277,192 | 30,277,192 | 0 | 0.0% |
| All Other Revenue | 4,225,614 | 4,207,020 | (18,594) | -0.4% |
| Use of Carryforward Fund Balance | 5,695,430 | 4,262,167 | (1,433,263) | -25.2% |
| Total Revenue/Sources | \$113,496,625 | \$112,140,037 | (\$1,356,588) | -1.2% |
| Expenditures and Transfers | | | | |
| <u>Compensation Summary:</u> | | | | |
| Salaries & Wages | \$57,457,949 | \$57,863,348 | \$405,399 | 0.7% |
| Benefits | 24,390,165 | 26,690,308 | 2,300,143 | 9.4% |
| Subtotal, Compensation | \$81,848,114 | \$84,553,656 | \$2,705,542 | 3.3% |
| <u>Noncompensation Summary:</u> | | | | |
| Utilities | \$2,541,485 | \$2,592,562 | \$51,077 | 2.0% |
| Services & Supplies | 21,550,285 | 20,346,081 | (1,204,204) | -5.6% |
| Capital Expenditures & Transfers | 7,556,741 | 7,943,502 | 386,761 | 5.1% |
| Subtotal, Noncompensation | \$31,648,511 | \$30,882,145 | (\$766,366) | -2.4% |
| Total Expenditures and Transfers | \$113,496,625 | \$115,435,801 | \$1,939,176 | 1.7% |
| Revenue/Sources less Expenditures/Transfers | | | | |
| | \$0 | (\$3,295,764) | | |

| Annualized FTE Enrollment | | | Change | Percent Change |
|----------------------------------|-------------------|-------------------|---------------|-----------------------|
| | FY 2012/13 | FY 2013/14 | | |
| Resident Undergraduate | 6,893.40 | 6,893.40 | 0.00 | 0.0% |
| Nonresident Undergraduate | 317.00 | 317.00 | 0.00 | 0.0% |
| Resident Graduate | 711.60 | 711.60 | 0.00 | 0.0% |
| Nonresident Graduate | 22.10 | 22.10 | 0.00 | 0.0% |
| Total FTE Enrollment | 7,944.10 | 7,944.10 | 0.00 | 0.0% |

| E&G FTE Employees | | | Change | Percent Change |
|-------------------------------------|-------------------|-------------------|---------------|-----------------------|
| | FY 2012/13 | FY 2013/14 | | |
| Faculty | 394.56 | 394.56 | 0.00 | 0.0% |
| AFSCME | 273.66 | 272.66 | (1.00) | -0.4% |
| Nonrepresented | 109.88 | 107.88 | (2.00) | -1.8% |
| SCUPA | 26.00 | 26.00 | 0.00 | 0.0% |
| All Other | 45.70 | 45.70 | 0.00 | 0.0% |
| Total Budgeted FTE Employees | 849.80 | 846.80 | (3.00) | -0.4% |

Board of Governors Budget Request Summary
Shippensburg University of Pennsylvania

| Educational & General Budget | | | Dollar | Percent |
|--|---------------------|----------------------|--------------------|-------------|
| Revenue/Sources | FY 2012/13 | FY 2013/14 | Change | Change |
| Tuition | \$53,126,211 | \$53,162,241 | \$36,030 | 0.1% |
| Fees | 11,478,502 | 11,520,977 | 42,475 | 0.4% |
| State Appropriation | 28,013,306 | 28,013,306 | 0 | 0.0% |
| All Other Revenue | 4,630,300 | 4,642,990 | 12,690 | 0.3% |
| Use of Carryforward Fund Balance | 1,288,278 | 1,222,833 | (65,445) | -5.1% |
| Total Revenue/Sources | \$98,536,597 | \$98,562,347 | \$25,750 | 0.0% |
| Expenditures and Transfers | | | | |
| <u>Compensation Summary:</u> | | | | |
| Salaries & Wages | \$54,223,134 | \$54,615,962 | \$392,828 | 0.7% |
| Benefits | 23,227,506 | 25,137,002 | 1,909,496 | 8.2% |
| Subtotal, Compensation | \$77,450,640 | \$79,752,964 | \$2,302,324 | 3.0% |
| <u>Noncompensation Summary:</u> | | | | |
| Utilities | \$1,830,234 | \$1,866,839 | \$36,605 | 2.0% |
| Services & Supplies | 13,652,058 | 13,830,473 | 178,415 | 1.3% |
| Capital Expenditures & Transfers | 5,603,665 | 5,662,386 | 58,721 | 1.0% |
| Subtotal, Noncompensation | \$21,085,957 | \$21,359,698 | \$273,741 | 1.3% |
| Total Expenditures and Transfers | \$98,536,597 | \$101,112,662 | \$2,576,065 | 2.6% |
| Revenue/Sources less Expenditures/Transfers | \$0 | (\$2,550,315) | | |

| Annualized FTE Enrollment | | | Change | Percent |
|-----------------------------|-----------------|-----------------|-------------|-------------|
| | FY 2012/13 | FY 2013/14 | | Change |
| Resident Undergraduate | 6,026.59 | 6,026.59 | 0.00 | 0.0% |
| Nonresident Undergraduate | 422.34 | 422.34 | 0.00 | 0.0% |
| Resident Graduate | 555.43 | 555.43 | 0.00 | 0.0% |
| Nonresident Graduate | 74.82 | 74.82 | 0.00 | 0.0% |
| Total FTE Enrollment | 7,079.18 | 7,079.18 | 0.00 | 0.0% |

| E&G FTE Employees | | | Change | Change |
|-------------------------------------|---------------|---------------|-------------|-------------|
| | FY 2012/13 | FY 2013/14 | | Change |
| Faculty | 342.12 | 342.12 | 0.00 | 0.0% |
| AFSCME | 233.00 | 233.00 | 0.00 | 0.0% |
| Nonrepresented | 90.00 | 90.00 | 0.00 | 0.0% |
| SCUPA | 29.71 | 29.71 | 0.00 | 0.0% |
| All Other | 36.45 | 36.45 | 0.00 | 0.0% |
| Total Budgeted FTE Employees | 731.28 | 731.28 | 0.00 | 0.0% |

Board of Governors Budget Request Summary
Slippery Rock University of Pennsylvania

| Educational & General Budget | | | Dollar | Percent |
|--|----------------------|----------------------|--------------------|-------------|
| Revenue/Sources | FY 2012/13 | FY 2013/14 | Change | Change |
| Tuition | \$61,110,086 | \$61,110,086 | \$0 | 0.0% |
| Fees | 13,451,032 | 13,451,032 | 0 | 0.0% |
| State Appropriation | 32,012,491 | 32,012,491 | 0 | 0.0% |
| All Other Revenue | 3,531,704 | 3,531,704 | 0 | 0.0% |
| Use of Carryforward Fund Balance | 0 | 0 | 0 | n/a |
| Total Revenue/Sources | \$110,105,313 | \$110,105,313 | \$0 | 0.0% |
| Expenditures and Transfers | | | | |
| <u>Compensation Summary:</u> | | | | |
| Salaries & Wages | \$60,546,824 | \$61,081,732 | \$534,908 | 0.9% |
| Benefits | 26,376,549 | 28,868,017 | 2,491,468 | 9.4% |
| Subtotal, Compensation | \$86,923,373 | \$89,949,749 | \$3,026,376 | 3.5% |
| <u>Noncompensation Summary:</u> | | | | |
| Utilities | \$2,666,532 | \$2,720,000 | \$53,468 | 2.0% |
| Services & Supplies | 17,009,265 | 17,298,704 | 289,439 | 1.7% |
| Capital Expenditures & Transfers | 3,506,143 | 3,526,335 | 20,192 | 0.6% |
| Subtotal, Noncompensation | \$23,181,940 | \$23,545,039 | \$363,099 | 1.6% |
| Total Expenditures and Transfers | \$110,105,313 | \$113,494,788 | \$3,389,475 | 3.1% |
| Revenue/Sources less Expenditures/Transfers | | | | |
| | \$0 | (\$3,389,475) | | |

| Annualized FTE Enrollment | | | Change | Percent change |
|-----------------------------|-----------------|-----------------|-------------|----------------|
| | FY 2012/13 | FY 2013/14 | | |
| Resident Undergraduate | 7,050.00 | 7,050.00 | 0.00 | 0.0% |
| Nonresident Undergraduate | 898.50 | 898.50 | 0.00 | 0.0% |
| Resident Graduate | 645.00 | 645.00 | 0.00 | 0.0% |
| Nonresident Graduate | 105.50 | 105.50 | 0.00 | 0.0% |
| Total FTE Enrollment | 8,699.00 | 8,699.00 | 0.00 | 0.0% |

| E&G FTE Employees | | | Change | Percent Change |
|-------------------------------------|---------------|---------------|-------------|----------------|
| | FY 2012/13 | FY 2013/14 | | |
| Faculty | 417.73 | 417.73 | 0.00 | 0.0% |
| AFSCME | 291.50 | 291.50 | 0.00 | 0.0% |
| Nonrepresented | 100.53 | 100.53 | 0.00 | 0.0% |
| SCUPA | 32.83 | 32.83 | 0.00 | 0.0% |
| All Other | 57.92 | 57.92 | 0.00 | 0.0% |
| Total Budgeted FTE Employees | 900.51 | 900.51 | 0.00 | 0.0% |

Board of Governors Budget Request Summary
West Chester University of Pennsylvania

| Educational & General Budget | | | Dollar | Percent |
|--|----------------------|----------------------|--------------------|-------------|
| Revenue/Sources | FY 2012/13 | FY 2013/14 | Change | Change |
| Tuition | \$117,094,164 | \$118,658,459 | \$1,564,295 | 1.3% |
| Fees | 22,352,733 | 22,611,993 | 259,260 | 1.2% |
| State Appropriation | 48,935,460 | 48,935,460 | 0 | 0.0% |
| All Other Revenue | 6,867,637 | 6,867,637 | 0 | 0.0% |
| Use of Carryforward Fund Balance | 0 | 0 | 0 | n/a |
| Total Revenue/Sources | \$195,249,994 | \$197,073,549 | \$1,823,555 | 0.9% |
| Expenditures and Transfers | | | | |
| <u>Compensation Summary:</u> | | | | |
| Salaries & Wages | \$96,894,678 | \$97,880,887 | \$986,209 | 1.0% |
| Benefits | 38,274,506 | 41,151,188 | 2,876,682 | 7.5% |
| Subtotal, Compensation | \$135,169,184 | \$139,032,075 | \$3,862,891 | 2.9% |
| <u>Noncompensation Summary:</u> | | | | |
| Utilities | \$3,094,377 | \$3,152,241 | \$57,864 | 1.9% |
| Services & Supplies | 24,077,993 | 24,385,348 | 307,355 | 1.3% |
| Capital Expenditures & Transfers | 32,908,440 | 33,341,196 | 432,756 | 1.3% |
| Subtotal, Noncompensation | \$60,080,810 | \$60,878,785 | \$797,975 | 1.3% |
| Total Expenditures and Transfers | \$195,249,994 | \$199,910,860 | \$4,660,866 | 2.4% |
| Revenue/Sources less Expenditures/Transfers | \$0 | (\$2,837,311) | | |

| Annualized FTE Enrollment | | | | Percent |
|-----------------------------|------------------|------------------|---------------|-------------|
| | FY 2012/13 | FY 2013/14 | Change | Change |
| Resident Undergraduate | 11,203.00 | 11,335.22 | 132.22 | 1.2% |
| Nonresident Undergraduate | 1,630.90 | 1,677.90 | 47.00 | 2.9% |
| Resident Graduate | 1,314.38 | 1,308.75 | (5.63) | -0.4% |
| Nonresident Graduate | 196.26 | 203.75 | 7.49 | 3.8% |
| Total FTE Enrollment | 14,344.54 | 14,525.62 | 181.08 | 1.3% |

| E&G FTE Employees | | | | Percent |
|-------------------------------------|-----------------|-----------------|-------------|-------------|
| | FY 2012/13 | FY 2013/14 | Change | Change |
| Faculty | 765.10 | 765.10 | 0.00 | 0.0% |
| AFSCME | 354.92 | 354.92 | 0.00 | 0.0% |
| Nonrepresented | 163.30 | 163.30 | 0.00 | 0.0% |
| SCUPA | 51.09 | 51.09 | 0.00 | 0.0% |
| All Other | 55.13 | 55.13 | 0.00 | 0.0% |
| Total Budgeted FTE Employees | 1,389.54 | 1,389.54 | 0.00 | 0.0% |

Board of Governors Budget Request Summary
Office of the Chancellor (1/2 of 1%)

| Educational & General Budget | | | Dollar | Percent |
|--|--------------------|--------------------|--------------------|--------------|
| Revenue/Sources | FY 2012/13 | FY 2013/14 | Change | Change |
| Tuition | \$0 | \$0 | \$0 | n/a |
| Fees | 0 | 0 | 0 | n/a |
| State Appropriation | 2,059,535 | 2,059,535 | 0 | 0.0% |
| All Other Revenue | 6,025,885 | 6,051,834 | 25,949 | 0.4% |
| Use of Carryforward Fund Balance | 1,145,582 | 634,023 | (511,559) | -44.7% |
| Total Revenue/Sources | \$9,231,002 | \$8,745,392 | (\$485,610) | -5.3% |
| Expenditures and Transfers | | | | |
| <u>Compensation Summary:</u> | | | | |
| Salaries & Wages | \$4,120,981 | \$4,035,897 | (\$85,084) | -2.1% |
| Benefits | 1,448,174 | 1,547,781 | 99,607 | 6.9% |
| Subtotal, Compensation | \$5,569,155 | \$5,583,678 | \$14,523 | 0.3% |
| <u>Noncompensation Summary:</u> | | | | |
| Utilities | \$5,065 | \$5,166 | \$101 | 2.0% |
| Services & Supplies | 2,899,282 | 2,899,181 | (101) | 0.0% |
| Capital Expenditures & Transfers | 757,500 | 507,500 | (250,000) | -33.0% |
| Subtotal, Noncompensation | \$3,661,847 | \$3,411,847 | (\$250,000) | -6.8% |
| Total Expenditures and Transfers | \$9,231,002 | \$8,995,525 | (\$235,477) | -2.6% |
| Revenue/Sources less Expenditures/Transfers | \$0 | (\$250,133) | | |

| Annualized FTE Enrollment | | | Change | Percent Change |
|-----------------------------|-------------|-------------|-------------|----------------|
| | FY 2012/13 | FY 2013/14 | | |
| Resident Undergraduate | 0.00 | 0.00 | 0.00 | n/a |
| Nonresident Undergraduate | 0.00 | 0.00 | 0.00 | n/a |
| Resident Graduate | 0.00 | 0.00 | 0.00 | n/a |
| Nonresident Graduate | 0.00 | 0.00 | 0.00 | n/a |
| Total FTE Enrollment | 0.00 | 0.00 | 0.00 | n/a |

| Unrestricted FTE Employees | | | Change | Percent Change |
|-------------------------------------|--------------|--------------|---------------|----------------|
| | FY 2012/13 | FY 2013/14 | | |
| Faculty | 0.00 | 0.00 | 0.00 | 0.0% |
| AFSCME | 4.24 | 4.24 | 0.00 | 0.0% |
| Nonrepresented | 37.96 | 36.57 | (1.39) | -3.7% |
| SCUPA | 0.65 | 0.65 | 0.00 | 0.0% |
| All Other | 0.00 | 0.00 | 0.00 | 0.0% |
| Total Budgeted FTE Employees | 42.85 | 41.46 | (1.39) | -3.2% |

Board of Governors' Budget Request Summary

Other Programs Administered by the Office of the Chancellor in FY 2011/12 and 2012/13

| Programs Funded from the Educational & General Appropriation | 2011/12 Appropriation | 2012/13 Appropriation |
|---|----------------------------------|----------------------------------|
| System Reserve | \$562,815 | \$350,000 |
| Dixon University Center Academic Programs (5.31 FTE Employees) | \$1,148,000 | \$1,148,000 |
| Office of Internal Audit and Risk Assessment (7.00 FTE Employees) | \$830,296 | \$844,047 |

Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) (3.84 FTE Employees)

The mission of GEAR UP is "to significantly increase the number of low-income students who are prepared to enter and succeed in post-secondary education." Currently, the program is providing services for the 11th grade cohort in both high schools in the Harrisburg and Allentown School Districts and in four high schools in the School District of Philadelphia. GEAR UP is an \$18 million, six-year grant. The program receives \$3 million per year.

Site Support Functions (16.46 FTE Employees)

In addition, the Office of the Chancellor manages 16.46 FTE employees for site management and administrative services that support all programs administered by the Office of the Chancellor.

Collaborative Services

Consolidated University Operations (37.60 FTE Employees)

Also administered by the Office of the Chancellor are the following operations located in Harrisburg and funded by the universities and the Office of the Chancellor: Office of Human Capital Management, Payroll Accounting, Office of System Human Resources, Labor Relations, Construction Support Office, University Legal Office, Treasury Accounting, Keystone Library Network, Distance Education, The Harrisburg Internship Semester, SSHEnet, and Right to Know. The costs associated with these services are reflected within the university budgets.

Shared Administrative System (43.17 FTE Employees)

The Shared Administrative System provides for the hardware, software, implementation, and maintenance of PASSHE's financial, budget, human resources, payroll, and materials management systems, and business warehouse for reporting.

Finance, Administration, and Facilities Committee Meeting

October 11, 2012

SUBJECT: Fiscal Year 2013/14 Appropriation Request (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: Educational and General (E&G) budget projections for fiscal year 2013/14 have been developed to support the ongoing operations of PASSHE universities based upon the most accurate information available. Given that collective bargaining agreements have expired and successor agreements are currently being negotiated for approximately 56% of PASSHE's E&G employees, only salary and wage changes specified in existing agreements are included in compensation estimates. Benefits rate increases have been incorporated, including changes in health care costs averaging 8% and increases in state retirement program rates ranging from 36% to 45%.

Excluding any future compensation requirements that are unknown at this time, it is anticipated that System-wide E&G budget requirements will increase \$37.1 million, or 2.4%. Enrollment projections for 2013/14 reflect somewhat stable enrollment, although estimates vary by university. Therefore, minimal change in university-based revenue is anticipated overall. Details on PASSHE's operating budget requirements are provided in the attached *2013/14 Educational and General Budget Overview*. This summary includes PASSHE's current E&G appropriation of \$412.8 million in both 2012/13 and 2013/14.

System-wide recommendations concerning PASSHE's appropriation request will be developed by the Finance, Administration, and Facilities Committee.

MOTION: That the Board of Governors approve a fiscal year 2013/14 Educational and General appropriation request of \$xxx,xxx,000 (to be determined).

Supporting Documents Included: *2013/14 Educational and General Budget Overview***Other Supporting Documents Available:** Budget Request Summaries for PASSHE Entities for Fiscal Years 2012/13 and 2013/14**Reviewed by:** Council of Presidents' Meeting, September 19, 2012**Prepared by:** James S. Dillon**Telephone:** (717) 720-4100

**Pennsylvania State System of Higher Education
2013/14 Educational and General Budget Overview**

October 11, 2012

PASSHE's 2013/14 proposed Educational and General (E&G) budget recognizes the significant economic challenges that continue to inhibit Pennsylvania's economy and revenue outlook. The state's fiscal recovery is closely tied to national economic activity; historically, state revenues lag behind the national economic recovery. Limited Commonwealth resources, mandatory cost increases that exceed revenue projections, and continued pressures on state retirement programs all indicate the potential for a challenging Commonwealth budget for fiscal year 2013/14.

PASSHE continues to operate in a recession recovery mode, limiting growth in operating costs through strategic redirection of resources; embracing efficiency initiatives; and aggressively managing its physical, financial, and human resources. The 2013/14 operating budget builds upon this cost control climate and provides for limited increases in basic operating costs. The System's budget is developed based upon university budgets submitted in adherence to specific guidelines, as articulated in Agenda Item #1.

The following basic adjustments are reflected in the 2013/14 E&G budget, as presented in Table 1.

Enrollment—After 14 years of increasing enrollments, some universities experienced reductions in academic year 2011/12 enrollment, resulting in a 2% decline in PASSHE's annualized full-time equivalent (FTE) enrollment. The general economic environment and declining numbers of high school graduates are contributing factors. In addition, changes in state and local policies regarding advanced degrees for teachers contributed to an overall decline in graduate enrollment. Preliminary fall 2012 enrollment statistics indicate a continuing enrollment decline at all but three PASSHE universities, resulting in an overall reduction of approximately 3,000 FTE students, or 3%. Eight universities anticipate no growth or continued reductions in enrollment for fiscal year 2013/14, resulting in budget estimates based on a slight overall enrollment increase of 0.3%. However, enrollment projections vary significantly by university.

PASSHE has increased efforts that may improve enrollment management results, which include the following initiatives.

- PASSHE is conducting a pricing elasticity and brand value study. It is anticipated that the results of this study will provide guidance for improving institutional brand strength and optimizing the relationship between market demand and net price.
- PASSHE is creating a System-wide, multiuniversity electronic admissions application. Anticipated to be available for use by the fall 2014 entering class, this web-based tool should result in increased admissions applications and better showcasing of PASSHE offerings to prospective students.

- Initiatives designed for nontraditional and returning adult students are underway and include program-to-program articulation agreements in 25 areas of study with Pennsylvania's 14 community colleges, as well as a collaboration with the Center for Adult and Experiential Learning that provides a mechanism to assist students in developing prior learning portfolios for college credit.
- Universities have increased recruitment and retention efforts. Several PASSHE universities have created senior leadership positions in enrollment management.
- PASSHE continues to align academic offerings with work force needs and student expectations, as evidenced by the following program actions taken by the Board of Governors in 2011/12 alone: 18 new programs were created, 29 programs were placed in moratorium, 4 programs were discontinued, and 20 programs were reorganized.

Employee Complement—PASSHE has worked diligently in recent years to manage its human resources, filling only essential positions as they become vacant. With annual work force cost increases outpacing anticipated revenue increases, PASSHE continues to ensure the proper alignment of human and fiscal resources with the strategic directions and operational responsibilities of the System through work force planning. Through a combination of retirements, voluntary separations, and furloughs, PASSHE has 367 fewer FTE positions funded in today's E&G budget than were funded in 2008/09. Throughout the System, nearly 200 funded positions (full-time and part-time) have been either held vacant or eliminated in 2011/12 and/or 2012/13.

Salaries—Compensation requirements for approximately 56% of PASSHE's E&G employees are established in collective bargaining agreements that ended June 30, 2011, for which successor agreements are currently under negotiation. Therefore, most 2012/13 and 2013/14 wage requirements are unknown at this time. No pay adjustments have been made in these budget estimates for the following bargaining units for which there are no existing collective bargaining agreements: the Association of Pennsylvania State College and University Faculties (APSCUF), which represents about 6,300 faculty and coaches at the 14 state-owned universities; and the State College and University Professional Association (SCUPA), which represents the campus admissions, financial aid, residence life, and career services officers. This is not to be viewed as a bargaining position. However, 2012/13 and 2013/14 compensation incorporates pay increases for the American Federation of State, County and Municipal Employees (AFSCME); Security, Police, and Fire Professionals of America (SPFPA); Pennsylvania Social Services Union (PSSU); Office of Professional Employees International Union Healthcare Pennsylvania (OPEIU, for nurses); Pennsylvania Doctors' Alliance (PDA); and nonrepresented employees. These increases, combined with projected complement adjustments, will generate an estimated increase in employee salaries and wages of \$4.8 million, or 0.6%.

Employee Benefits—Of those employees who receive health benefits, approximately 62% are enrolled in PASSHE's health care program. PASSHE continues to experience record enrollment in Healthy U, the System's wellness program. Employees who do not participate in the wellness program pay a larger portion of their health care premiums. PASSHE projects the employer share of health care costs for active and annuitant employees within the System-managed programs to increase an average of 7% next year based upon a combination of national trends, PASSHE's health care experience, and participation in the wellness program. These estimates also include additional costs required by federal health care reform. The remaining 38% of PASSHE's employees receive health care through the Pennsylvania Employees Benefit Trust Fund (PEBTF). These rates are established in the AFSCME collective bargaining agreement, which reflects an employer cost increase of 9% for 2013/14. In addition, the Commonwealth's retiree health care costs are anticipated to increase 15%, according to the Commonwealth budget guidelines. Combined health care costs are anticipated to increase \$14.0 million, or nearly 8%.

The two primary Commonwealth retirement programs, State Employees' Retirement System (SERS) and Public School Employees' Retirement System (PSERS), continue to experience financial stress that is resulting in significant rate increases. Approximately half of PASSHE's employees have chosen SERS or PSERS as their retirement vehicle. In accordance with Commonwealth budget guidelines, the most common SERS employer contribution rate is projected to increase from 10.51% of salaries to 15.22% of salaries, or an increase of 45%. PSERS rates are expected to increase 36%. Retirement rates associated with the alternative retirement programs remain the same. Combined retirement costs are expected to increase in 2013/14 by \$13.7 million, or 19%.

This growth in health care and retirement costs is partially offset by small increases in social security expenditures, since future pay increases are not anticipated for most employees at this time in the 2013/14 budget. Overall, employee benefits expenditures are expected to increase \$28.3 million, or 9%.

Utilities—In recent years, PASSHE universities experienced higher than normal electricity rate increases due to the phased implementation of electric deregulation. Now fully deregulated, PASSHE's 2013/14 utilities costs are anticipated to increase at a more reasonable rate of \$0.8 million, or just over 2%, to address anticipated rate adjustments and additions to university square footage. Rate increases are partially offset by energy conservation efforts derived, in part, through the use of energy savings corporations (ESCOs). University utilities cost increases vary significantly, depending on the mix of utilities, changes in space, and status of ESCO projects.

All Other Basic Operating Expenditures—Given the current fiscal environment, universities continue to limit all nonmandatory spending. Therefore, anticipated expenditures for services, supplies, and materials are projected to increase \$0.6 million, or 0.2%. This is made possible partially through the use of strategic

sourcing contracts, which combine the purchasing power of PASSHE's universities to obtain optimal pricing on services, supplies, and equipment. Capital expenditures and transfers, which represent PASSHE's investment in its physical resources from the E&G budget, are projected to decrease at some universities that experienced higher capital expenditures in 2012/13 due to the availability of one-time resources that were dedicated to specific projects. In total, noncompensation expenditures are estimated to increase \$3.7 million, or 0.9%.

These combined adjustments result in an overall 2013/14 E&G expenditure requirement of \$1.56 billion, an increase of \$36.8 million, or 2.4%. Assuming no change in PASSHE's E&G appropriation, university revenue and sources reveal a \$1.2 million reduction in one-time resources. This change partially offsets the \$4.5 million increased revenue primarily attributed to modest enrollment increases at six universities. An additional factor is the 2012/13 overall budgetary shortfall that is reflected, due to budget projections for Cheyney University (for more detail, see page 50 of the Finance, Administration, and Facilities Committee Agenda, Item #1). The net loss in revenue, combined with PASSHE's expenditure requirements, results in an overall new revenue requirement of \$37.1 million.

On October 11, 2012, the Board of Governors' Finance, Administration, and Facilities Committee will develop recommendations for an E&G appropriation request. Although no decision will be made concerning tuition rate increases at that time, a tuition assumption will be necessary to balance the budget request. The Board will consider addressing the remaining budgetary requirements in the spring through a tuition increase or other means.

Table 1
Pennsylvania State System of Higher Education
FY 2013/14 Educational and General Budget Summary

| Educational & General Budget | Current Year FY 2012/13 | Budget Request FY 2013/14 | Dollar Change | Percent Change |
|--|--|--|--------------------------|---------------------------|
| Revenue/Sources | | | | |
| Tuition | \$830,657,338 | \$833,610,000 | \$2,952,662 | 0.4% |
| Fees | 178,266,673 | 179,098,288 | 831,615 | 0.5% |
| State Appropriation | 412,751,000 | 412,751,000 | 0 | 0.0% |
| All Other Revenue | 66,313,936 | 67,001,678 | 687,742 | 1.0% |
| Use of Carryforward Fund Balance | 31,336,399 | 30,096,316 | (1,240,083) | -4.0% |
| Total Revenue/Sources | \$1,519,325,346 | \$1,522,557,283 | \$3,231,937 | 0.2% |
| Expenditures and Transfers | | | | |
| <u>Compensation Summary:</u> | | | | |
| Salaries & Wages | \$768,509,513 | \$773,286,624 | \$4,777,111 | 0.6% |
| Benefits | 326,147,956 | 354,452,009 | 28,304,053 | 8.7% |
| Subtotal, Compensation | \$1,094,657,469 | \$1,127,738,633 | \$33,081,164 | 3.0% |
| <u>Noncompensation Summary:</u> | | | | |
| Utilities | \$34,684,591 | \$35,469,243 | \$784,652 | 2.3% |
| Services & Supplies | 256,392,495 | 257,016,340 | 623,845 | 0.2% |
| Capital Expenditures & Transfers | 137,076,582 | 139,399,193 | 2,322,611 | 1.7% |
| Subtotal, Noncompensation | \$428,153,668 | \$431,884,777 | \$3,731,109 | 0.9% |
| Total Expenditures and Transfers: | \$1,522,811,137 | \$1,559,623,410 | \$36,812,273 | 2.4% |
| Revenue/Sources less Expenditures/Transfers | (\$3,485,791) | (\$37,066,127) | | |

| Annualized FTE Enrollment | FY 2012/13 | FY 2013/14 | Change | Percent Change |
|----------------------------------|-------------------|-------------------|---------------|---------------------------|
| Resident Undergraduate | 85,377.64 | 85,607.18 | 229.54 | 0.3% |
| Nonresident Undergraduate | 10,827.04 | 10,925.30 | 98.26 | 0.9% |
| Resident Graduate | 8,628.78 | 8,586.81 | (41.97) | -0.5% |
| Nonresident Graduate | 1,980.25 | 1,974.67 | (5.58) | -0.3% |
| Total FTE Enrollment | 106,813.70 | 107,093.95 | 280.25 | 0.3% |

| E&G FTE Employees | FY 2012/13 | FY 2013/14 | Change | Percent Change |
|-------------------------------------|-------------------|-------------------|----------------|---------------------------|
| Faculty | 5,377.34 | 5,371.34 | (6.00) | -0.1% |
| AFSCME | 3,259.64 | 3,259.14 | (0.50) | 0.0% |
| Management | 1,348.41 | 1,344.67 | (3.74) | -0.3% |
| SCUPA | 446.65 | 446.65 | 0.00 | 0.0% |
| All Other | 620.32 | 620.32 | 0.00 | 0.0% |
| Total Budgeted FTE Employees | 11,052.36 | 11,042.12 | (10.24) | -0.1% |

Finance, Administration, and Facilities Committee Meeting

October 11, 2012

SUBJECT: Revisions to Board of Governors' Policy 1985-04-A, *University External Financial Support* (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: As a result of a recent review of university practices regarding interactions with affiliated entities, the following financial policies, procedures, and standards have been reviewed for clarity and potential conflicts in interpretation and intention.

Board of Governors' (BOG) Policies

- 1985-04-A, *University External Financial Support*
- 1986-02-A, *Investment*
- 1996-01-A, *Sources of Funding for University Scholarships*
- 1996-03, *Defining Auxiliary Enterprises and Establishing Financial Reporting Requirements*
- 2010-01-A, *Expenditures of Public Funds*

PASSHE Procedures and Standards

- 2011-04, *Accounting for Privatized Housing*
- 2011-07, *Expenditures of Public Funds Guidelines, Standards, and Limits*

As a result of this review, it is recommended that BOG Policy 1985-04-A, *University External Financial Support*, be amended as attached to clarify the abilities of affiliated organizations to manage university monies. In addition, the Office of the Chancellor is developing procedures, standards, and guidelines regarding the relationship between and among universities and their affiliated organizations.

MOTION: That the Board of Governors approve the amendments to Board of Governors' Policy 1985-04-A, *University External Financial Support*, as attached.

Supporting Documents Included: Board of Governors' Policy 1985-04-A, *University External Financial Support*

Other Supporting Documents Available: N/A

Reviewed by: Council of Fiscal and Administrative Vice Presidents, September 12, 2012;
Council of Presidents, September 19, 2012

Prepared by: James S. Dillon

Telephone: (717) 720-4100



PA State System of Higher Education Board of Governors

Effective: April 16, 1985

POLICY 1985-04-A: UNIVERSITY EXTERNAL FINANCIAL SUPPORT

See Also:

Adopted: April 16, 1985
Amended: October 9, 1997; ~~and~~ January 8, 2004; and October 11, 2012

A. Policy

The development of independent sources of financial support by each university to augment Commonwealth funding is hereby declared a policy of the Board of Governors. Each university, in conformity with this policy statement, is hereby directed to develop sources of independent support at levels sufficient to facilitate the enhancement of the university.

B. Purposes

1. To create an environment for the support of individual university development efforts.
2. To define the relationships between a university and independent but affiliated organizations, which exist solely for the benefit of the university.
3. To facilitate implementation of the powers granted to the State System and universities through §2003-A (b)(3) of Act 188 of 1982, relating to the right to receive and retain all manner of gifts which are “necessary or desirable for carrying out the purposes of the State System.”
4. To enhance university and State System quality.

C. Collections, Retention, and Disposition of Funds and Endowments

1. The Board of Governors reaffirms its commitment to the implementation of Act 188 of 1982 and shall not “take or receive any monies, goods, or other property, real or personal, which is given or granted to specific institutions.” See §2003-A (b)(3).

2. The Board of Governors advocates the university's roles and responsibilities in the process of external fund-raising, including the active participation in such efforts by university leadership.

D. University and Office of the Chancellor Relations with Affiliated Organizations

1. A university may affiliate with any private organization that exists solely for the benefit of the university, including foundations and alumni associations, if the organization:
 - a. Makes a financial contribution to the university or provides similar benefits to the university on a regular basis satisfactory to the president and council of trustees.
 - b. Requires an annual external audit of its funds and provides copies of its audit reports to the university fiscal vice president and to the vice chancellor for administration and finance at the Office of the Chancellor on or before the predetermined date necessary to meet the Commonwealth's reporting timeline. Any organization that is not determined to be a component unit of the university under Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining whether Certain Organizations are Component Units*, is exempt from this requirement.
2. No university shall authorize the use of its name by any private organization except with the permission of the chancellor and unless the organization formally agrees to the foregoing conditions.
3. A university, pursuant to a written memorandum of understanding, may provide support services, staff, and facilities to an affiliated organization. No university employee who provides support or staff services to an affiliated organization, such as a foundation, may vote, govern, or otherwise risk adverse interest through such service.

If services, staff, and facilities are provided to an affiliated organization on a contracted basis, then no university employee shall serve as a member of the board of the organization.

The memorandum of understanding is required to:

- a. Define the mission and role of the affiliated organization, and make clear its dependence or independence.
- b. Establish a reporting framework through which university compliance with this policy can be accomplished, including the right to review university or Commonwealth resources used to support the operation.
- c. Include hold harmless language to protect the university from potential legal and financial liability.

- d. Describe the levels and categories of liability insurance to be carried by affiliated organizations.
 - e. Be reviewed and approved by university legal counsel.
 4. A university may enter into fiduciary agreements with any qualified affiliated organization to:
 - a. ~~retain~~ Administer university gifts and grants, subject to the approval of the chancellor; and/or
 - b. Manage the investment of certain limited long-term funds, in accordance with Board of Governors' Policy 1986-02-A, Investment.
 5. Affiliated organizations shall not be authorized by the university to undertake programs or activities that are properly part of the university's academic mission.
 6. Universities are required to provide the State System's chief counsel with an annual certification of compliance with this policy. The annual certification provided for herein should include the following documents, if applicable.
 - a. The resolution of the council of trustees certifying compliance of all affiliated organizations with Board of Governors' Policy 1985-04-A, including a statement by the university's chief financial officer summarizing both the direct university support provided to the affiliated organizations and the contributions made by the affiliated organizations to the university covered in the certification.
 - b. Memoranda of understanding.
 - c. Fiduciary agreements (per Board of Governors' Policy 1986-02-A, *Investment*), if applicable.
 - d. Articles of incorporation and bylaws. Following the initial submission, it is only necessary to submit additional copies in the event that a revision, amendment, or other change is made to the original documents.
 - e. Lists of the board of directors of all affiliated organizations.

The items referred to in this section shall not include any items, such as board of directors minutes or other privileged matters, provided that said privilege shall not be invoked merely as a pretext for avoiding the requirements of this policy as promulgated by the Board of Governors in line with its lawful authority.

E. Procedures, Standards, and Guidelines

The chancellor shall establish procedures, standards, and guidelines concerning the relationships between and among universities and their affiliated organizations.

Finance, Administration, and Facilities Committee Meeting

October 11, 2012

SUBJECT: Parking Construction, East Stroudsburg University of Pennsylvania (ACTION)

UNIVERSITIES AFFECTED: East Stroudsburg University of Pennsylvania**BACKGROUND:** East Stroudsburg University of Pennsylvania requests approval to bond finance the construction of additional campus parking using surface lots and a raised deck over an existing parking lot.

East Stroudsburg University has struggled for years to comply with the Borough of East Stroudsburg's zoning ordinance for off-street parking. This has been a significant issue with the University's neighbors and the Borough. Both the University and the Borough have made compromises to reach a solution to the current parking situation. A recent change to the ordinance has reduced parking requirements; however, East Stroudsburg University must still construct additional parking to comply.

The University's plan includes construction of 348 parking spaces, yielding a total of 3,023 spaces. This involves constructing a parking deck over an existing lot for a net increase of 220 spaces; demolition of buildings at 157 Marguerite Street and 433 Normal Street and constructing lots there for approximately 46 parking spaces; and converting outdoor basketball courts at Zimbar-Liljenstein Hall for approximately 82 spaces. This appears to be the lowest cost alternative that meets the Borough's expectations for parking.

The University is requesting bond financing of approximately \$7.3 million to execute this plan. Debt service will be funded with a \$20-per-semester increase in the student transportation fee and a tiered student parking permit fee ranging from \$45 to \$55 per semester based on location.

MOTION: That the Board of Governors approve East Stroudsburg University's request to bond finance approximately \$7.3 million to construct additional parking for students.

Supporting Documents Included: N/A**Other Supporting Documents Available:** Parking Feasibility Study and Financing Plan**Reviewed by:** East Stroudsburg University's Council of Trustees' Meeting, September 13, 2012**Prepared by:** James S. Dillon**Telephone:** (717) 720-4100

Finance, Administration, and Facilities Committee Meeting

October 11, 2012

SUBJECT: Athletic Field Improvements, Mansfield University of Pennsylvania (ACTION)

UNIVERSITIES AFFECTED: Mansfield University of Pennsylvania**BACKGROUND:** Mansfield University of Pennsylvania requests approval to bond finance improvements to Van Norman Field.

The project will replace the outdated natural turf football stadium field with artificial turf, improve the field's sub-base and drainage, and upgrade lighting. Due to the frailty of the existing turf, usage of the current field is limited to the point that the University's soccer and field hockey teams must travel 15 miles to use Wellsboro High School's facilities for home games. The existing practice fields for the soccer and field hockey teams are also in poor condition and are frequently unusable due to poor drainage. The estimated cost of the project is \$1.6 million.

The project will be funded using \$450,000 provided by the Student Government Association and the balance bond financed for a term of ten years with debt service paid from operating funds.

MOTION: That the Board of Governors approve Mansfield University's request to bond finance approximately \$1.15 million for improvements to Van Norman Field.

Supporting Documents Included: N/A**Other Supporting Documents Available:** University Project Planning Data**Reviewed by:** Mansfield University's Council of Trustees' Meeting, August 1, 2012**Prepared by:** James S. Dillon**Telephone:** (717) 720-4100



Human Resources Committee Meeting

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

Thursday, October 11, 2012

Agenda

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| 1. Office of Professional Employees International Union (OPEIU) Healthcare Pennsylvania Collective Bargaining Agreement (ACTION) | 77 |
| 2. Board of Governors' Policy 1983-14-A: <i>Appointment of Interim and Acting Chief Executive Officers</i> (ACTION) | 80 |



Committee Members: Marie A. Conley (*Chair*), Jennifer G. Branstetter (designee for Governor Thomas W. Corbett), Ronald G. Henry, Kenneth M. Jarin, Harold C. Shields, Aaron A. Walton, and Guido M. Pichini (*ex officio*).

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

Human Resources Committee Meeting

October 11, 2012

SUBJECT: Office of Professional Employees International Union (OPEIU) Healthcare Pennsylvania Collective Bargaining Agreement (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: In accordance with Act 188 of 1982 as amended, Section 20-2005-A, the Office of the Chancellor of the Pennsylvania State System of Higher Education and the Office of Professional Employees International Union (OPEIU) Healthcare Pennsylvania completed negotiations of a new agreement for the period July 1, 2012 through June 30, 2015.

The attached summary details the key changes that resulted from collective bargaining.

MOTION: That the Board of Governors' ratify the agreement with OPEIU and authorize the Chancellor and the Chairman to sign the appropriate documents.

Supporting Documents Included: OPEIU Healthcare Pennsylvania and PASSHE Agreement Summary

Other Supporting Documents Available: OPEIU Agreement and Memorandum

Reviewed by: PASSHE Labor Relations and OPEIU Bargaining Team

Prepared by: Gary K. Dent

Telephone: (717) 720-4158

OPEIU Healthcare Pennsylvania and PASSHE Tentative Agreement Summary

Term of Agreement

July 1, 2012 through June 30, 2015

Salary

Estimated Cost Increase \$689,291

| | |
|--------------|---|
| July 2012 | \$700 lump sum cash payment to permanent full-time and part-time employees* \$500 maximum lump sum cash payment to substitute nurses** |
| January 2013 | \$700 lump sum cash payment to permanent full-time and part-time employees* \$500 maximum lump sum cash payment to substitute nurses** |
| July 2013 | Increment of 2.25% |
| July 2014 | Increment of 2.25% |
| January 2015 | \$700 lump sum cash payment to permanent full-time and part-time employees* |

*Part-time employees receive \$350 lump sum cash payment if 50% FTE or greater

** Substitute nurses who earned \$5,000 or more in the prior year shall receive 2% of gross earnings up to maximum of \$500

Overtime

Estimated Cost Savings \$13,551

- Eliminate double time payment as of July 1, 2012

Professional Development Education Program

Estimated Cost Savings \$85,000

- Reduced and combined tuition reimbursement, out service training, and certification payment yearly from \$3,000 to \$2,000

Sick Leave

Estimated Cost Savings ***

- Reduce sick leave earned per year from 13 days to 12 days effective July 1, 2012

Annual Leave

Estimated Cost Savings ***

- Reduce annual leave earned for employees hired after July 1, 2012

| | |
|------------------------------|----------------------|
| Up to 1 year of service | 10.4 days to 7 days |
| 1 year to 3 years of service | 15.6 days to 10 days |
| 3 years or more of service | 26 days to 15 days |

Health Care

Estimated Cost Savings \$338,664

- Eliminate HMO plans for employees hired July 1, 2012 or after
- Eliminate HMO plans effective December 31, 2012 for current employees
- Acceptance of “me too” language of health care for active employees, future annuitants, and annuitants to coverage provided to management. Coverage does not include domestic partners

Estimated Total Cost Impact \$252,076

***Unable to calculate a cost saving for this concession

Human Resources Committee Meeting

October 11, 2012

SUBJECT: Board of Governors' Policy 1983-14-A: *Appointment of Interim and Acting Chief Executive Officers (ACTION)*

UNIVERSITIES AFFECTED: All

BACKGROUND: Board of Governors' Policy 1983-14-A: *Appointment of Interim and Acting Chief Executive Officers*, addresses how temporary appointments and unanticipated vacancies are handled.

To assist the Board of Governors, the Chancellor and Council of Trustees, in meeting the intent of Act 188 of 1982 as amended and Board of Governors' policy, the Human Resources Committee of the Board met with constituent groups to hear their concerns and possible improvements to this policy. Three key issues emerged:

1. A need to define and clarify terminology, e.g., "Acting" and "Interim" university president and chancellor;
2. The process and timeliness of temporarily filling vacant Chief Executive Officers positions; and
3. Clarifying roles and responsibilities of the Chancellor, Board of Governors and Council of Trustees in the Appointment of Interim and Acting Chief Executive Officers.

The proposed policy addresses these issues and is submitted for your review and approval.

MOTION: That the Board of Governors approve the changes to Board of Governors' Policy 1983-14-A: *Appointment of Interim and Acting Chief Executive Officers*.

Supporting Documents Included: Board of Governors' Policy 1983-14-A: *Appointment Interim and Acting Chief Executive Officers* (current policy); Board of Governors' Policy 1983-14-A: *Appointment of Interim and Acting Chief Executive Officers* (revised policy)

Other Supporting Documents Available: None

Reviewed by: Peter H. Garland

Prepared by: Gary K. Dent

Telephone: (717) 720-4158



(CURRENT POLICY)

PA State System of Higher Education Board of Governors

Effective: June 20, 1983

Page 1 of 2

Policy 1983-14-A: *Appointment Interim and Acting Chief Executive Officers*

See Also:

Adopted: June 20, 1983

Amended: May 15, 1984; January 8, 1998; January 14, 1999

A. Policy

1. When the office of a university president becomes vacant prior to the appointment of a regular successor, the chancellor shall recommend the name of a candidate for the interim presidency to the Board of Governors after consultation with the university's council of trustees. The council of trustees shall consult with the students, faculty, and alumni before making its recommendation to the chancellor. The interim president shall serve until the Board of Governors has appointed a permanent president or until the interim president has been relieved of the presidential duties and responsibilities.
2. When an incumbent president is temporarily unable to discharge his/her official duties, and replacement is warranted in the judgment of the chancellor and the Board, the chancellor shall recommend the name of a candidate for the interim presidency to the Board of Governors after consultation with the university's council of trustees. The council of trustees shall consult with the students, faculty, and alumni before making its recommendation to the chancellor. The interim president shall serve until the Board determines, after consultation with the council of trustees, that the incumbent is able to resume his/her official duties, or until the Board of Governors has appointed a permanent president or until the interim president has been relieved of the presidential duties and responsibilities.
3. When an incumbent president takes leave for a period that, in the judgment of the chancellor and the Board, requires a replacement, the chancellor shall recommend the name of a candidate for the interim presidency to the Board of Governors after consultation with the university's council of trustees. The council of trustees shall consult with the students, faculty, and alumni before making its recommendation to the chancellor. The interim president shall serve until the incumbent returns

from leave or until the interim president has been relieved of the presidential duties and responsibilities.

4. The chancellor, after consultation with the Chairman of the Board of Governors, will develop and publish an Order of Succession. The Order of Succession will identify in rank order, members of the management team, at grade 8 and above, in the Office of the Chancellor who will act on behalf of the chancellor in his/her absence or in the event he/she is temporarily unable to fulfill his/her responsibilities. In the latter event, the manager acting on behalf of the chancellor will do so until the Board of Governors takes action to name an interim chancellor, if and when the Board deems that necessary.
5. Each president, after consultation with the chancellor, will develop and publish an Order of Succession. The Order of Succession will identify in rank order, members of the management team, at grade 8 and above, at the university who will act on behalf of the president in his/her absence or in the event he/she is temporarily unable to fulfill his/her responsibility. In the latter event, the manager acting on behalf of the president will do so until the Board of Governors takes action to name an interim president according to this policy, if and when the Board deems that necessary.
6. Orders of succession will be reviewed at the beginning of each academic year and delivered to the chairman or the chancellor, as appropriate, before September 30.



(REVISED POLICY)

PA State System of Higher Education Board of Governors

Effective: June 20, 1983

POLICY 1983-14-A: INTERIM AND ACTING CHIEF EXECUTIVE OFFICERS

See Also:

Adopted: June 20, 1983

Amended: May 15, 1984; January 8, 1998; January 14, 1999; and October 11, 2012

A. Definitions

1. Acting University President or Chancellor. Temporary service as university president or chancellor pursuant to the university's succession plan when the incumbent president is temporarily unable to discharge official duties or has permanently vacated the position.
2. Interim University President or Chancellor. Temporary appointment as university president or chancellor by the Board of Governors until an incumbent president or chancellor returns to official duties, a permanent president or chancellor is appointed by the Board, or until the interim president or chancellor has been relieved of duties and responsibilities.
3. Vacancy in the Office of the President or Chancellor. Position of president or chancellor is unoccupied either temporarily due to leave, because the chancellor or Board of Governors determines that the incumbent president or chancellor is unable to discharge his/her official duties either temporarily or permanently, or because the incumbent president or chancellor has vacated the position.

B. Presidential Vacancy

1. Acting President. When the office of the president at a university becomes vacant, the duties of president shall be performed by the individual identified in the university Order of Succession plan until the incumbent president is able to resume duties, until an interim president is appointed by the Board, or until a successor permanent president is appointed by the Board.

2. Interim President. Upon a vacancy in the office of the president at a university, the chancellor shall make a determination whether there is a need for appointment of an interim president to maintain operations and continuity on campus. Within a reasonable amount of time from the date of vacancy, the chancellor shall recommend the name of a candidate for the interim presidency to the Board of Governors after consultation with the chair of the university's council of trustees. At no time shall such recommendation process exceed six weeks from the time the chancellor makes a determination that appointment of an interim president is necessary. Interim presidential appointees shall be subject to the requirements of relevant employment background investigation policies.

C. Chancellor Vacancy

1. Acting Chancellor. When the office of the chancellor becomes vacant, the duties of chancellor shall be performed by the individual identified in the Order of Succession plan until the incumbent chancellor is able to resume duties. If the incumbent chancellor will be permanently vacating the office, the Board shall act to affirm the designation of the acting chancellor or appoint an interim chancellor.
2. Interim Chancellor. Upon a vacancy in the office of the chancellor, the Chair of the Board of Governors shall make a determination whether there is a need for appointment of an interim chancellor to maintain operations and continuity. Interim chancellor appointees shall be subject to the requirements of relevant employment background investigation policies.

D. Order of Succession Planning

1. Each university president, after consultation with the chair of the council of trustees and the chancellor, will develop and publish an Order of Succession. The Order of Succession will identify in rank order, members of the executive management team at the university who will act on behalf of the president in his/her absence, in the event he/she is temporarily unable to fulfill his/her responsibility, or in the event there is a vacancy.
2. The chancellor, after consultation with the Chair of the Board of Governors, will develop and publish an Order of Succession. The Order of Succession will identify in rank order, members of the executive management team in the Office of the Chancellor who will act on behalf of the chancellor in his/her absence, in the event he/she is temporarily unable to fulfill his/her responsibilities, or in the event there is a vacancy.
3. Orders of Succession will be reviewed at the beginning of each academic year before September 30. Each university president shall deliver the campus Orders of Succession Plan to the chancellor after a resolution and vote by the university's council of trustees. The chancellor shall deliver the Orders of Succession Plan for the Office of the Chancellor to the Chair of the Board.



Executive Committee Meeting

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

Thursday, October 11, 2012

Agenda

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| 1. | PASSHE Strategic Plan (INFORMATION) | 86 |



Committee Members: Guido M. Pichini (*Chair*), Marie A. Conley, Ronald G. Henry, Jonathan B. Mack, C.R. "Chuck" Pennoni, and Aaron A. Walton.

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

Executive Committee Meeting
October 11, 2012

SUBJECT: PASSHE Strategic Plan (INFORMATION)

UNIVERSITIES AFFECTED: All

BACKGROUND: An update on the work of the Strategic Planning Committee will be provided at the Board meeting.

Supporting Documents Included: N/A

Other Supporting Documents Available: N/A

Reviewed by: N/A

Prepared by: Peter H. Garland

Telephone: (717) 720-4010

Board of Governors' Meeting

October 11, 2012

SUBJECT: Approval of Meeting Dates (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: At the June 2012 Board meeting, a suggestion was made to change future June meeting dates to July.

MOTION: That the Board of Governors approve the meeting dates from June to July for 2013, 2014, and 2015 as shown in the attached Board of Governor's Meeting Calendar.

Supporting Documents Included: Board of Governors' Meeting Calendar 2013-2015

Other Supporting Documents Available: N/A

Reviewed by: N/A

Prepared by: Peter H. Garland

Telephone: (717) 720-4010



Board of Governors' Meeting Calendar 2013-2015

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

| | | |
|-------------|---------------------------|---|
| 2013 | Wednesday and Thursday | January 23 and 24 |
| | Wednesday and Thursday | April 10 and 11 |
| | Monday and Tuesday | June 26 and 27 July 8 and 9 |
| | Wednesday and Thursday | October 16 and 17 |

| | | |
|-------------|---------------------------|---|
| 2014 | Wednesday and Thursday | January 22 and 23 |
| | Wednesday and Thursday | April 9 and 10 |
| | Monday and Tuesday | June 25 and 26 July 7 and 8 |
| | Wednesday and Thursday | October 8 and 9 |

| | | |
|-------------|---------------------------|---|
| 2015 | Wednesday and Thursday | January 21 and 22 |
| | Wednesday and Thursday | April 8 and 9 |
| | Monday and Tuesday | June 24 and 25 July 6 and 7 |
| | Wednesday and Thursday | October 7 and 8 |

Revised: October 11, 2012