



# Board of Governors' Quarterly Meeting Agenda

## Wednesday, October 8, 2014

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**1:30 p.m.                      Committee Meetings (Boardroom)**

- Academic and Student Affairs
- Audit
- Finance, Administration, and Facilities
- Human Resources

## Thursday, October 9, 2014

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

**Adjournment**



# Board of Governors’ Quarterly Meeting

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

**Wednesday, October 8, 2014**  
**1:30 p.m.**

## Agenda

### Committee Meetings

- **Academic and Student Affairs**
  - Approval of a Master of Science in Cybersecurity Degree Program at California University of Pennsylvania (ACTION)
  - Approval of a Master of Science in Applied Mathematics Degree Program at California University of Pennsylvania (ACTION)
  - Approval of a Bachelor of Science in Electrical Engineering Degree Program at Shippensburg University of Pennsylvania (ACTION)
  - Approval of a Master of Education in Technology and Online Instruction Degree Program at Slippery Rock University of Pennsylvania (ACTION)
  - Gaining Early Awareness and Readiness for Undergraduate Programs Partnership Grant (INFORMATION)
  - Fall 2014 Student Profile and Enrollment Trends (INFORMATION)
- **Audit**
  - Office of Internal Audit and Risk Assessment (OIARA) Update (INFORMATION)
- **Finance, Administration, and Facilities**
  - Educational and General Operating Budgets for Pennsylvania’s State System of Higher Education Entities (ACTION)
  - Fiscal Year 2015/16 Appropriations Request (ACTION)
  - Pricing Flexibility Pilot, Lock Haven University of Pennsylvania (ACTION)
  - Waller Administration Building, Capital Project Reprogramming, Bloomsburg University of Pennsylvania (ACTION)
  - New Residence Hall, Bloomsburg University of Pennsylvania (ACTION)
  - Andruss Library Addition, Bloomsburg University of Pennsylvania (ACTION)
  - New Performing Arts Center, Capital Project Reprogramming, Slippery Rock University of Pennsylvania (ACTION)
  - Demolition of Naugle Hall, Shippensburg University of Pennsylvania (INFORMATION)



- **Human Resources**

- Human Resources Committee Update (INFORMATION)
- Collective Bargaining Agreement and Memorandum of Understanding for Pennsylvania Doctors Alliance (PDA) (ACTION)

**Board of Governors Meeting**  
**Thursday, October 9, 2014**  
**9:00 a.m.**

**Board of Governors' Meeting**

- Recognition (ACTION)
  - Andre Reed
- Standing Committee Assignments (ACTION)



# Academic and Student Affairs Committee

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

October 8-9, 2014

## Agenda

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**Committee Members:** Aaron A. Walton (Chair), Representative Matthew E. Baker, Chelsea E. Getsy, Acting Secretary of Education Carolyn C. Dumaresq, Guido M. Pichini (*ex officio*), and Michael Fiorentino, Jr. (nonvoting presidential liaison).

For further information, contact Kathleen M. Howley at (717) 720-4207.

**Academic and Student Affairs Committee Meeting**

October 8-9, 2014

**SUBJECT:** Approval of a Master of Science in Cybersecurity Degree Program at California University of Pennsylvania (ACTION)

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**UNIVERSITIES AFFECTED:** California University of Pennsylvania

**BACKGROUND:** California University of Pennsylvania proposes a new Master of Science in Cybersecurity designed to prepare graduates with a comprehensive understanding of fundamental concepts of cybersystems, critical competence to defend cyber intrusion, and crucial skills of leadership and management. Cybersecurity is a high demand occupation and the graduates will be able to: a) obtain jobs in which network security knowledge and skills are required; b) bridge the gap between technology and the laws that govern cybersecurity; and c) enhance the nation's overall cybersecurity posture.

Using 100 percent online delivery, the program will provide students with flexibility to meet their advanced educational needs.

**MOTION:** That the Board of Governors approve a Master of Science in Cybersecurity at California University of Pennsylvania.

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

**Other Supporting Documents Available:** Degree Proposal

**Reviewed by:** California University Council of Trustees, September 23, 2014

**Prepared by:** Kathleen M. Howley

**Telephone:** (717) 720-4200

**EXECUTIVE SUMMARY OF DEGREE PROPOSAL**  
**Master of Science Degree in Cybersecurity**  
*October 8, 2014*

**1) Appropriateness to Mission**

California University of Pennsylvania proposes a Master of Science (MS) degree in Cybersecurity. The program was developed in alignment with the National Professional Science Masters Association's (NPSMA) procedures and standards. When California University receives approval to award the Professional Science Masters (PSM) designation from the PSM Association, California University will change the MS credential to the PSM credential. At that time, new students will be admitted into the PSM degree and give continuing students the option to earn the MS or PSM credential.

The Cybersecurity program will address critical cybersecurity workforce demands by preparing the next generation of science, technology, engineering, and mathematics (STEM) professionals for integrator and leadership roles with specialized knowledge in cybersecurity and related professional skills. The proposed program provides distinctive opportunities to equip students with key competencies needed in a wide variety of capacities in cybersecurity. The program provides students with a strong security foundation, a set of practical technology tools, and important professional skills. Graduates will have a comprehensive understanding of fundamental concepts of cybersystems, critical competence to defend cyber intrusion, and crucial skills of leadership and management.

The program is intended for those who endeavor through technical and managerial measures to ensure the security, confidentiality, integrity, authenticity, availability and utility of the world's computing and information systems infrastructure. More specifically, they are post-baccalaureate professionals who desire to: a) obtain jobs in which network security knowledge and skills are required; b) bridge the gap between technology and the laws that govern cybersecurity; and c) enhance the nation's overall cybersecurity posture.

Using 100 percent online delivery, the program will provide students with the ultimate in flexibility to meet their advanced educational needs. The program will meet regional, state, and national workforce needs using an asynchronous delivery format.

The program was developed and reviewed to ensure alignment with the State System's strategic plan, the California University's Mission and strategic plan, and the strategic plans of California University's Eberly College of Science and Technology and Department of Mathematics, Computer Science, and Information Systems.

**2) Need**

Over the past decade, the need for cybersecurity specialists has grown rapidly in all sectors. The global cybersecurity market is expected to reach \$120 billion by 2017 and grow at an annual rate of 11 percent to 2017. In 2011, North America accounted for about 40 percent of the global revenue in the field and is expected to grow more than 9 percent to 2017.

Demand for cybersecurity specialists is driven by the growth in cyber attacks, which increased over 300 percent between 2007 and 2012. Studies report the cost of cybercrime incidents grew 26 percent in one year to an average incident cost of more than \$11 million.

To address these problems, federal spending on cybersecurity is expected to grow from nearly \$9 billion in 2013 to \$11.4 billion in 2018. Given the staggering growth, a highly skilled cybersecurity workforce is scarce. The federal government alone is expected to hire at least 10,000 cybersecurity experts and the private sector needs more than ten times that number. The U.S. government deems the cybersecurity worker shortage as a critical economic and national security challenge. Securing cyberspace is critical and can be achieved only with highly qualified workers.

The U.S. Department of Labor estimates 135,000 new jobs in this field by 2018. Other sources predict jobs for cybersecurity experts will grow by 53 percent through 2018 with the workforce demand growing 3.5 times faster than the overall information technology job market and 12 times faster than the total labor market. The Pittsburgh region is among the more difficult regions in which to find cybersecurity workers. The Washington, D.C. region has the greatest job growth with five-year gains of 50 percent to 250 percent in surrounding cities. The Washington, D.C. metropolitan area had more than 23,000 job postings for cybersecurity positions in 2013.

### **3) Academic Integrity**

The proposed program aligns with Board of Governors' academic policies and affiliation guidelines of the NPSMA for the PSM. The program goals and student learning outcomes are based on the workforce educational requirements in meeting established employment needs. The program goals and student learning outcomes were developed in conjunction with, and approved by, California University's PSM Cybersecurity Advisory Board.

The curriculum will develop competencies in both technical and management areas, such as software system security, network security, database security, policies, and risk management, along with key professional skills. The program was developed with the following considerations: a) major courses in science components must focus on the most important roles and equip graduates with state-of-the-art cybersecurity expertise; b) professional skills courses must integrate into the core business with students learning how to manage people and control projects; c) the experiential component must be closely tied to the practicing field; and d) ethics plays a central role with students developing sensitivity to issues of privacy, security, and intellectual property. Competence will be demonstrated through a capstone internship where students will work on cybersecurity problems in specific business areas and apply cybersecurity knowledge and project management skills to a particular business field.

The degree requires 30 credits and meets NPSMA's PSM requirements, including 18 required credits (four core courses and a six-credit capstone internship), six professional skills credits, and six elective credits. The program meets PSM requirements with a majority of the content in computational sciences, technology, and engineering with professional skills components in leadership, professional development, and project management.

The program's curriculum is intended to accomplish the following student learning outcomes:

- demonstrate advanced knowledge in computer networking, security, and cryptography for industry;
- integrate principles and techniques of risk analysis, project planning and change management in the development of information security strategies;

- describe how to provide message privacy, integrity, authentication and nonrepudiation using network security practices and infrastructure hardening techniques;
- integrate project development skills in producing a security system;
- function effectively as a member or a leader on a technical team;
- address professional and ethical responsibilities including a respect for diversity; and
- commitment to lifelong learning in the cybersecurity environment.

#### **4) Coordination/Cooperation/Partnerships**

California University is committed to collaborating with other universities, inside and outside the State System, on this program. The Department of Computer Science and Engineering at Shippensburg University is proposing a new cybersecurity concentration in their Master's in Computer Science program. With the proposed PSM Cybersecurity being offered online, they would be available to other students such as students in the concentration at Shippensburg. It is expected that California's PSM Cybersecurity program and the concentration at Shippensburg will start in the same semester and courses will be shared. This kind of collaboration could be extended to other State System university students as well.

California University collaborators included the Department of Exercise Science and Sports Studies, which provided the Leadership and Professional Development course. The leadership course and three other courses are used in a PSM Applied Math program being simultaneously developed by California University. Also, to start planning for program implementation, preliminary discussions have begun with Graduate Admissions, Global Online, University Marketing, Teaching and Learning Center, Internship Center, and Career Services.

The program has an employer-driven advisory board which includes representatives from several firms, including Summa Technologies, Contemporary Services Corporation, Ideal Integrations, Mylan Laboratories, Parametric Technology Corporation, Computer Sciences Corporation/ViaTech, TechSystems, Office of the Chief of Staff for Installation Management at the Pentagon, and the Institute for Defense Analyses.

#### **5) Assessment**

The PSM Cybersecurity program has been developed following NPSMA's criteria. Faculty communicated with NPSMA throughout the development process. In addition, the program development followed the Program Review and Outcomes Assessment processes in Board of Governors' Policy 1997-01: *Assessing Student Learning Outcomes*. Program goals have been mapped to student learning outcomes, which have been mapped to each course.

Assessment of student learning outcomes will ensure continuous quality improvement. Each semester, assessment data from assignments and exams will be collected from each course. Measurements will be developed to measure each student outcome and program objective.

Assessment results will be shared with the advisory board for review and recommendations. Annual review of student learning outcomes will be submitted to the California University Assessment of Student Learning Committee for review. Finally, the program will comply with the Board of Governors' Policy 1986-04-A: *Program Review*.



**6) Resource Sufficiency**

Given an online delivery model, there are no additional costs for facilities or equipment. Existing faculty will support the program during its initial semesters. Part-time temporary faculty members may need to be hired to support the program either directly or by backfilling courses so the proposed PSM faculty can teach in the new program. The departments will adjust faculty workload based on available expertise to deliver the new PSM courses.

The budget includes funding for software and upgrades, salaries/benefits, marketing, enrollment management, faculty professional development, and program office operations. The projected costs are reasonable based on past experience in launching Global Online programs. After establishing a sufficient enrollment history, the program anticipates requesting a tenure-track faculty member (in year four) who will teach in the PSM and other programs in the department. The revenues and expenses included in the five-year budget have been reviewed by the California University leadership, including the Office of Administration and Finance.

*Prepared by: Stanley A. Komacek*

Implementation date: Summer 2015

Date approved by Council of Trustees: September 23, 2014.

**California University of Pennsylvania Master of Science (eventually Professional Science Master's) in Cybersecurity  
Budget Narrative**

<b>ESTIMATED REVENUES</b>	<b>NARRATIVE/ASSUMPTIONS</b>
<b>ESTIMATED STUDENT IMPACT OF NEW PROGRAM</b>	
Headcount Enrollment	The 18-month program will admit students every summer. The resident and nonresident full-time headcount enrollment are estimated in Year 1 at 7 new students (4 full-time; 3 part-time), given the Global Online delivery and support systems for marketing and enrollment management. Ten new students (6 full-time; 4 part-time) are projected for Year 2; with an increase of one student in each of the remaining three years. In years beyond Year 1, the number of existing students is calculated at 86 percent of new students in the previous year (which is the five-year retention rate for the Department of Mathematics, Computer Science, and Information Systems; calculated using the 2007 entering cohort group). This retention rate is consistent with other online programs, which use a cohort delivery model, have a career-focused structure, and are supported by the Office of Global Online.
<b>ESTIMATED REVENUE</b>	Estimated revenue includes tuition generated and instructional support fees.
Tuition Generated	\$454 is the current resident tuition rate per credit. Given the proposed curriculum structure, the number of annual credits for full-time status would be 24. In each year, the existing student numbers are used to calculate tuition generated for the six credits remaining to complete the 30-credit master's degree.
Instructional Support Fee	The instructional support fee is calculated based on the current resident Instructional Support Fee of \$71.70 per credit and nonresident instructional support fee of \$107.55 per credit.
External Grants & Contracts	No external grants and contracts amounts are projected.
Other	The figures shown are the provost's commitment until the program reaches break-even.
<b>ESTIMATED EXPENSES</b>	Estimated expenses includes salaries and benefits for faculty and other, as well as learning resources.
Salaries and Benefits - Faculty	For faculty, the salary is based upon the current collective bargaining agreement. In Year 1, the salary and benefits for faculty is based on the 2014-15 associate professor rank, step 8 annual salary (\$81,711) with .75 FTE faculty in fall and spring semesters (\$61,283 total salary) and .50 FTE faculty in summer (\$11,015 total salary) plus 29 percent added for benefits.
Salaries and Benefits (Staff, Grad Assistant Stipend/ Waiver, Teaching Assistances, etc.)	For salaries and benefits other, the annual costs for one graduate assistant (currently \$8,172) is used in Year 1 and increases 3 percent annually.

Learning Resources	A Year 1 cost of \$17,500 is shown for software licensing for virtual lab software and other anticipated expenses. In Year 5, the renewal and upgrading of software licenses is projected with a 5 percent increase. Given the Global Online delivery model, there are no additional costs for instructional equipment or new facilities/modifications to existing facilities.
Instructional Equipment	N/A
Facilities and/or modifications	N/A
Administrative Expense	The administrative expense is calculated at 20 percent of tuition generated and instructional support fee and charged annually for existing and new students.
Other	Other estimated expenses include \$30,000 per year for marketing and enrollment management expenses and \$5,000 per year for faculty professional development expenses and office operations.

**California University of Pennsylvania Master of Science (eventually Professional Science Master's) in Cybersecurity  
Five-Year Budget Projection**

Estimated Student Impact of New Program	Year 1		Year 2		Year 3		Year 4		Year 5	
	Existing	New	Existing	New	Existing	New	Existing	New	Existing	New
Resident Full-Time Headcount Enrollment		4	3	6	5	7	6	7	6	8
Nonresident Full-Time Headcount Enrollment		3	3	4	3	4	3	5	4	5
Resident Part-Time Headcount Enrollment										
Nonresident Part-Time Headcount Enrollment										
Projected Annual Credits Generated	168		276		312		342		372	
<b>Estimated Revenue</b>										
Tuition Generated	\$92,616		\$151,182		\$167,526		\$186,594		\$201,576	
Instructional Support Fee	\$14,627		\$23,876		\$26,457		\$29,469		\$31,835	
External Grants and Contracts										
Other - Provost Reserve	\$68,143									
<b>Estimated Total Revenue</b>	<b>\$175,386</b>		<b>\$175,058</b>		<b>\$193,983</b>		<b>\$216,063</b>		<b>\$233,411</b>	
<b>Estimated Expenses</b>										
Estimated Expenses	Year 1		Year 2		Year 3		Year 4		Year 5	
	Existing	New	Existing	New	Existing	New	Existing	New	Existing	New
Salaries and benefits - Faculty	\$93,265		\$93,265		\$93,265		\$93,265		\$93,265	
Salaries and/or benefits Other (staff, grad assistant stipend/waiver, teaching assistants, etc.)	\$8,172		\$8,417		\$8,670		\$8,930		\$9,198	
Learning Resources	\$17,500								\$18,375	
Instructional Equipment										
New Facilities and/or Modifications to existing facilities										
Administrative Expense	\$21,449		\$35,012		\$38,797		\$43,213		\$46,682	
Other		\$35,000		\$35,000		\$35,000		\$35,000		\$35,000
<b>Estimated Total Expenses</b>	<b>\$175,385</b>		<b>\$171,694</b>		<b>\$175,731</b>		<b>\$180,407</b>		<b>\$202,520</b>	
<b>Estimated Financial Impact of New Program</b>	<b>\$0</b>		<b>\$3,365</b>		<b>\$18,252</b>		<b>\$35,656</b>		<b>\$30,891</b>	

**Academic and Student Affairs Committee Meeting**

October 8-9, 2014

**SUBJECT:** Approval of a Master of Science in Applied Mathematics Degree program at California University of Pennsylvania (ACTION)

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**UNIVERSITIES AFFECTED:** California University of Pennsylvania

**BACKGROUND:** California University of Pennsylvania proposes a new Master of Science in Applied Mathematics designed to prepare graduates with competencies in advanced mathematics and big data analysis and also with skills in leadership, technology, and project management to meet the high priority employer needs in business, industry, and government. Technology will be integral with each course including hands-on, experiential learning provided with remotely-accessed software applications to prepare students to solve real-world problems.

Using 100 percent online delivery, the program will provide students with flexibility to meet their advanced educational needs.

**MOTION:** That the Board of Governors approve a Master of Science in Applied Mathematics at California University of Pennsylvania.

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

**Other Supporting Documents Available:** Degree Proposal

**Reviewed by:** California University Council of Trustees, September 23, 2014

**Prepared by:** Kathleen M. Howley

**Telephone:** (717) 720-4200

**EXECUTIVE SUMMARY OF DEGREE PROPOSAL**  
**Master of Science in Applied Mathematics**  
*October 8, 2014*

**1) Appropriateness to Mission**

California University of Pennsylvania proposes a Master of Science (MS) degree in Applied Mathematics. The program was developed in alignment with the National Professional Science Masters Association's (NPSMA) procedures and standards. When California University receives approval to award the Professional Science Masters (PSM) designation from the PSM Association, California University will change the MS credential to the PSM credential. At that time, new students will be admitted into the PSM degree and give continuing students the option to earn the MS or PSM credential.

The proposed applied mathematics program will allow students to pursue advanced education and training in mathematics coupled with the development of workplace skills. The goal of the applied mathematics program is to provide a career-oriented graduate degree to provide working individuals with the advanced knowledge of mathematics, statistical analysis, and technology for business and industry. The program will prepare workplace professionals with the skills they need to advance or enhance their careers. Technology will be integral with each course including hands-on, experiential learning provided with remotely-accessed software applications to prepare students to solve real-world problems.

The applied mathematics program is responsive to demands in ever-changing science, technology, engineering, and mathematics (STEM) related workforce requirements, which drive changing educational expectations from prospective students. The program focuses on the business, industry, and government need for workforce professionals who are trained in advanced mathematics and big data analysis with skills in leadership, technology, and project management. Using a 100 percent online delivery, the program will provide students with the ultimate in flexibility to meet their advanced educational needs. The program is designed to meet regional, state and national workforce needs using an asynchronous delivery format.

The Applied Mathematics program has been developed and reviewed, internally and externally, to ensure alignment with the State System's strategic plan, California University's mission and strategic plan, and the strategic plans of California University's Eberly College of Science and Technology and Department of Mathematics, Computer Science, and Information Systems.

**2) Need**

The *Occupational Outlook Handbook* specifies four mathematics occupations: actuaries, mathematicians, operations research analysts, and statisticians. Mathematicians and statisticians require a master's degree for job entry and earn median salaries between \$75,560 and \$101,360. Operations research analysts provide the largest number of current jobs (64,600) and largest employment change to 2020 (9,400 jobs) while actuaries provide the fastest growth rate (27 percent) and second largest employment change (5,800 jobs). Overall, the *Outlook* projects employment in mathematics occupations will increase about 16 percent to 2020; faster than the average for all occupations. The *Outlook* highlights the value of a master's degree: "Those with a master's degree should have opportunities in applied mathematics... Mathematicians who have a master's degree will likely find opportunities in private industry."

Data from the Pennsylvania Center for Workforce Statistics, which identifies six mathematics occupations (actuaries, mathematical scientists, mathematicians, operations research analysts, statistical assistants, and statisticians), are similar to national data.

The six jobs are expected to produce 522 annual openings. Four of the six occupations are set to grow at higher than average rates with the highest rates in actuaries (17 percent), mathematical scientists (10 percent), statisticians (9 percent), and operations research analysts (6 percent).

A 2013 Council for Graduate Schools survey indicates that PSM graduates were highly likely to be employed (77 percent) in jobs for which they were prepared; 91 percent working in a job closely or somewhat related to their field of study. The primary areas of employment were business/industry (66 percent); government (11 percent), academia (9 percent), nonprofits (8 percent), and others fields, including research and health care (6 percent). Over two-thirds respondents reported earning more than \$50,000 annually. The inclusion of startups in the business/industry category holds promise for the economic well-being of Pennsylvania. Haltiwanger's article in a 2013 issue of the *Review of Economics and Statistics* cited the contributions that startups make to creating new jobs and stimulating employment growth. U.S. Census Bureau and Kauffman Foundation data suggest that about 70 percent of gross domestic job creation is attributable to startup firms and young businesses and almost all net new jobs created over the past three decades resulted from new businesses. Startup firms produce new jobs and are characterized with high levels of innovation and experimentation. Pennsylvania will also benefit from job creation and an enhanced economic condition with a skilled applied mathematics work force pursuing startup business development opportunities.

### 3) **Academic Integrity**

The program aligns with Board of Governors' academic policies and affiliation guidelines of the NPSMA for the PSM. The program goals and student learning outcomes are based on the educational requirements for employees in meeting established workforce needs. The goals and learning outcomes were developed in conjunction with, and approved by, California University's employer-driven PSM Applied Mathematics Advisory Board. The curriculum is grounded in mathematics, computational sciences, and technology, as well as professional skills, and is designed to prepare students for direct entry into a variety of mathematics-related career options. To meet NPSMA requirements for the PSM, students will complete 30 credits; including a nine-credit core (to promote advanced mathematics knowledge), six credits in professional skills (to develop effective leadership and management skills), nine credits of elective specialty (to enhance technical and professional skills), and a six-credit experiential capstone (to provide hands-on practical application of advanced knowledge and skills). The program's curriculum is intended to accomplish the following student learning outcomes:

- demonstrate advanced knowledge in mathematics, statistics and technology for industry;
- solve complex real-world problems using advanced mathematics and data analysis skills;
- demonstrate knowledge of technology necessary to aid in real-world problem solving;
- adapt theoretical knowledge to fit real world situations;
- demonstrate leadership skills and ethical responsibility in personal and professional situations; and
- commitment to lifelong learning in applied mathematics.

4) **Coordination/Cooperation/Partnerships**

California University is committed to collaborating with other universities, inside and outside the State System on this program.

California University's internal collaboration included the Department of Exercise Science and Sports Studies, which provided the Leadership and Professional Development course. The leadership course and three other courses (Project Management, Applied Cryptography, and Database Systems) are used in a PSM cybersecurity program that is being simultaneously developed by California University. Also, discussions continue with the Department of Business on a possible new business analytics program that would use several PSM courses. Finally, to start planning for implementation of the program, preliminary discussions have begun with key units, including Graduate Admissions, Global Online, University Marketing, Teaching and Learning Center, Internship Center, and Career Services.

Outside the University, the program's external advisory board included representatives from several firms, including Bombardier Transportation, Mylan Labs, Sutter Health Pacific, Gateway Engineers, Parametric Technology Corporation, Northrop Grumman, Onyx, and the Federal Bureau of Investigation.

5) **Assessment**

The applied mathematics program has been developed following NPSMA's criteria for affiliation. Faculty communicated with NPSMA throughout the development process. In addition, the program will follow the program review and outcomes assessment (Board of Governors' Policy 1997-01: *Assessing Student Learning Outcomes*) processes to evaluate goals and to improve the program. Program goals have been mapped to student learning outcomes, which have been mapped to each course in the curriculum. Student learning outcomes will be assessed using a two-year systematic evaluation plan. Assessment of student learning will ensure continuous quality improvement. Annual review of student learning outcomes will be based on a plan to measure all learning goals and results will be submitted to the California University Assessment of Student Learning Committee for review. Finally, the program will comply with the Board of Governors' Policy 1986-04-A: *Program Review*.

6) **Resource Sufficiency**

Given an online delivery model, there are no additional costs for facilities or equipment. Existing faculty and staff lines will support the program during its initial semesters. Part-time temporary faculty members may need to be hired to support the program either directly or by backfilling courses so the proposed PSM faculty can teach in the new program. The departments will adjust faculty workload based on available expertise to deliver the new PSM courses.

As shown in the five-year budget, funding will be required for additional software licenses and upgrades. Also included in the budget are costs for salaries and benefits, marketing, enrollment management, faculty professional development, and program office operations. All of the anticipated costs are reasonable, based on past experience by California University in successfully launching Global Online programs. After establishing a sufficient enrollment history, the program anticipates requesting an additional tenure-track faculty member (in year four) whose assignment will include teaching in the PSM and undergraduate programs. The revenues and expenses included in the five-year budget have been reviewed by the California University leadership, including the Office of Administration and Finance.

*Prepared by: Stanley A. Komacek*

Implementation date: Summer 2015

Date approved by Council of Trustees: September 23, 2014



**California University of Pennsylvania Master of Science (eventually Professional Science Master's) in Applied Mathematics  
Budget Narrative**

<b>ESTIMATED REVENUES</b>	<b>NARRATIVE/ASSUMPTIONS</b>
<b>ESTIMATED STUDENT IMPACT OF NEW PROGRAM</b>	
Headcount Enrollment	The 18-month program will admit students every summer. The resident and nonresident full-time headcount enrollment are estimated in Year 1 at 7 new students (4 full-time; 3 part-time), given the Global Online delivery and support systems for marketing and enrollment management. Ten new students (6 full-time; 4 part-time) are projected for Year 2; with an increase of one student in each of the remaining three years. In years beyond Year 1, the number of existing students is calculated at 86 percent of new students in the previous year (which is the five-year retention rate for the Department of Mathematics, Computer Science, and Information Systems; calculated using the 2007 entering cohort group). This retention rate is consistent with other online programs, which use a cohort delivery model, have a career-focused structure, and are supported by the Office of Global Online.
<b>ESTIMATED REVENUE</b>	Estimated revenue includes tuition generated and instructional support fees.
Tuition Generated	\$454 the current resident tuition rate per credit. Given the proposed curriculum structure, the number of annual credits for full-time status would be 24. In each year, the existing student numbers are used to calculate tuition generated for the six credits remaining to complete the 30-credit master's degree.
Instructional Support Fee	The instructional support fee is calculated based on the current resident instructional support fee of \$71.70 per credit and nonresident instructional support fee of \$107.55 per credit.
External Grants & Contracts	No external grants and contracts amounts are projected.
Other	The figures shown are the provost's commitment until the program reaches break-even.
<b>ESTIMATED EXPENSES</b>	Estimated expenses includes salaries and benefits for faculty and other, as well as learning resources.
Salaries and Benefits - Faculty	For faculty, the salary is based upon the current collective bargaining agreement. In Year 1, the salary and benefits for faculty is based on the 2014-15 associate professor rank, step 8 annual salary (\$81,711) with .75 FTE faculty in fall and spring semesters (\$61,283 total salary) and .50 FTE faculty in summer (\$11,015 total salary) plus 29% added for benefits.
Salaries and Benefits (Staff, Grad Assistant Stipend/ Waiver, Teaching Assistances, etc.)	For salaries and benefits other, the annual costs for one graduate assistant (currently \$8,172) is used in Year 1 and increases 3 percent annually.

Learning Resources	In the learning resources line, a Year 1 cost of \$8,000 is shown for software licensing for math lab and other anticipated expenses. In Year 5, the renewal and upgrading of software licenses is projected with a 5 percent increase (\$8,400). Given the Global Online delivery model, there are no additional costs for instructional equipment or new facilities/modifications to existing facilities.
Instructional Equipment	N/A
Facilities and/or modifications	N/A
Administrative Expense	The administrative expense is calculated at the 20 percent of tuition generated and instructional support fee and charged annually for existing and new students.
Other	The other estimated expense includes \$30,000 per year for marketing and enrollment management expense and \$5,000 per year for faculty professional development expenses and office operations.

**California University of Pennsylvania Master of Science (eventually Professional Science Master's) in Applied Mathematics  
Five-Year Budget Projection**

Estimated Student Impact of New Program	Year 1		Year 2		Year 3		Year 4		Year 5	
	Existing	New	Existing	New	Existing	New	Existing	New	Existing	New
Resident Full-Time Headcount Enrollment		4	3	6	5	7	6	7	6	8
Nonresident Full-Time Headcount Enrollment		3	3	4	3	4	3	5	4	5
Resident Part-Time Headcount Enrollment										
Nonresident Part-Time Headcount Enrollment										
Projected Annual Credits Generated	168		276		312		342		372	
<b>Estimated Revenue</b>										
Tuition Generated	\$92,616		\$151,182		\$167,526		\$186,594		\$201,576	
Instructional Support Fee	\$14,627		\$23,876		\$26,457		\$29,469		\$31,835	
External Grants and Contracts										
Other - Provost Reserve	\$58,643									
<b>Estimated Total Revenue</b>	\$165,886		\$175,058		\$193,983		\$216,063		\$233,411	
<b>Estimated Expenses</b>	Year 1		Year 2		Year 3		Year 4		Year 5	
	Existing	New	Existing	New	Existing	New	Existing	New	Existing	New
Salaries and benefits - Faculty	\$93,265		\$93,265		\$93,265		\$93,265		\$93,265	
Salaries and/or benefits Other (staff, grad assistant stipend/waiver, teaching assistants, etc.)	\$8,172		\$8,417		\$8,670		\$8,930		\$9,198	
Learning Resources	\$8,000								\$8,400	
Instructional Equipment										
New Facilities and/or Modifications to existing facilities										
Administrative Expense	\$21,449		\$35,012		\$38,797		\$43,213		\$46,682	
Other		\$35,000		\$35,000		\$35,000		\$35,000		\$35,000
<b>Estimated Total Expenses</b>	\$165,885		\$171,694		\$175,731		\$180,407		\$192,545	
<b>Estimated Financial Impact of New Program</b>	\$0		\$3,365		\$18,252		\$35,656		\$40,866	

**Academic and Student Affairs Committee Meeting**

October 8-9, 2014

**SUBJECT:** Approval of a Bachelor of Science in Electrical Engineering Degree Program at Shippensburg University of Pennsylvania (ACTION)

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**UNIVERSITIES AFFECTED:** Shippensburg University of Pennsylvania

**BACKGROUND:** Shippensburg University proposes a new Bachelor of Science in Electrical Engineering designed to prepare students for careers in a broad array of Electrical Engineering fields including: semiconductor design, mixed-signal embedded systems, industrial controls, and communications system engineering. Graduates will have the skills necessary to design, build, test, and manage these complex systems, skills that are in increasing demand in the Commonwealth and the surrounding region.

The proposed program will leverage the success of Shippensburg University's existing Bachelor of Science in Computer Engineering and Bachelor of Science in Software Engineering.

**MOTION:** That the Board of Governors approve a Bachelor of Science in Electrical Engineering at Shippensburg University of Pennsylvania.

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

**Other Supporting Documents Available:** Degree Proposal

**Reviewed by:** Shippensburg University Council of Trustees, September 5, 2014

**Prepared by:** Kathleen M. Howley

**Telephone:** (717) 720-4200

**EXECUTIVE SUMMARY OF DEGREE PROPOSAL**  
**Bachelor of Science Degree in Electrical Engineering**  
*October 8, 2014*

**1) Appropriateness to Mission**

Shippensburg University of Pennsylvania proposes a new Bachelor of Science in Electrical Engineering (EE). The proposed program is designed to prepare students for careers in a broad array of electrical engineering fields including: semiconductor design, mixed-signal embedded systems, industrial controls, and communications system engineering. Graduates will have the skills necessary to design, build, test, and manage these complex systems; skills that are in increasing demand in the Commonwealth and the surrounding region.

The proposed electrical engineering program is unique within Pennsylvania's State System of Higher Education. Students will work in teams, which is the industry standard, to design components or processes with realistic constraints including economic, environmental, social, political, ethical, safety, manufacturability, and sustainability. Along with understanding how to work within a variety of constraints, they will learn about the impact of engineering solutions in a global, economic, environmental, and social context. The graduates will have an ability to use techniques, skills, and modern engineering tools necessary for engineering practice, and will engage in life-long learning to continue developing their skills and knowledge.

The electrical engineering program expands Shippensburg University's academic master plan in two specific ways: 1) it expands undergraduate enrollment that is supported by both demand and resources; and 2) it strengthens the university's capacity to contribute to regional development through scholarship, training and outreach. The curriculum builds on three strong programs: computer engineering, computer science, and applied physics, and is designed to be eligible for accreditation in electrical engineering program by ABET (Accrediting Board for Engineering and Technology). The growth that the program will support is directly aligned with Shippensburg's mission of building an array of complementary, educationally strategic, interconnected high-quality programs that efficiently use resources and that support regional economic development.

**2) Need**

Electrical Engineering, like many other science, technology, engineering, and mathematics (STEM) fields, has historically had more demand for program graduates than qualified people to fill those positions. Electrical engineering programs have finite capacity and generate a limited number of electrical engineering graduates. Because these programs have more applicants than capacity, their admissions standards are higher than what is needed to successfully complete an electrical engineering program. Therefore, there are many academically capable electrical engineering students who are not able to access their dreams because there are not enough electrical engineering programs in the country to meet the current and future needs of employers.

Nationally, the U.S. Department of Labor and Statistics is forecasting a 7% growth between 2010 and 2020 in electrical engineers, moving from a total of 154,000 in 2010 to 164,700 in 2020. Pennsylvania is expected to see a 9 percent increase in the demand for electrical engineers, from 9,050 in 2010 to 9,560 in 2020. As a result of need outpacing supply, wages are forecast to increase 12 percent for electrical engineers, from an average of \$79,910 in 2010 to \$89,500 in 2020. In neighboring Maryland, there is 12 percent growth forecast in the same period, with wages rising from \$97,470 to \$109,440.

Across Pennsylvania, there is consistent growth in the number of students completing electrical engineering and electronics engineering programs. Between 2007 and 2012, the number of degree completers increased 7 percent in Pennsylvania. While there has been consistent growth in the number of graduates, there continues to be faster growth in the number of vacant positions.

### **3) Academic Integrity**

The goal of this program is to prepare graduates to be electrical engineers with a solid grasp of technology and a broad background in sciences and humanities, and who are effective information consumers having the skills to continue learning throughout their careers. These goals are achieved through a curriculum that combines a broad liberal arts general education program with a program encompassing a rigorous set of science, technology, engineering, and mathematics courses. Throughout their coursework, students will learn to use electrical engineering principles to communicate with a wide array of users and colleagues, and they will analyze, research, design, describe, build, and test hardware and software systems.

This proposed program is comprised of 33 credits of computer and electrical engineering courses, three credits of computer science, 48 credits of cognate courses (eight of which are general education), and 36 credits of general education courses that are not cognate courses, for a total of 120 credits. This professional baccalaureate degree balances the ABET requirements for engineering and cognate courses while also providing 36 credits of general education so that students will have a broad liberal arts education.

### **4) Coordination/Cooperation/Partnerships**

The electrical engineering program is inter-departmental and is administered through the Computer Science and Engineering Department. It is closely coordinated with the Mathematics and Physics departments. The coordination includes accreditation, assessment, and ensuring the program is meeting its objectives. The electrical engineering program will expand existing industrial partnerships of the department through internships, recruitment, and participation in sponsored research projects.

An example of a joint research project is the development of a sensor network with the Geography and Earth Sciences Department. The goal is to build low-cost wireless sensor network nodes for water quality and environmental monitoring.

The sensors will initially be deployed at the Chincoteague Bay Field Station in Wallop's Island, Virginia; there is rapidly expanding excitement and interest for deployments to other watersheds as well.

### **5) Assessment**

The electrical engineering program will be assessed the same as the other programs in the Computer Science and Engineering Department that are accredited (computer science) or are seeking accreditation (computer engineering and software engineering) by ABET. ABET accreditation covers a wide array of institutional and departmental criteria, including resource sufficiency and curriculum quality with a primary focus on systemic assessment and continuous improvement. Each program has a set of goals and objectives and an assessment plan that measures the degree to which the program meets its goals. As part of this plan, the students' academic progress is measured throughout their tenure in the program in a variety of ways, including benchmark assessment, course assessment, graduate capability assessment, and external assessment. These assessment sources provide valuable data about the quality of each

of the courses and the overall development of the students. Taken together, this information helps measure the quality of the program as a whole and identifies areas where improvement may be needed.

The ABET-related assessment data are collected from various sources throughout the year. Each course has a course coordinator who reviews all the curricular assessments and makes recommendations about the objectives of each course. Course content improvements are then reviewed by the department's curriculum committee and adjustments are made. The overall assessment criteria are reviewed at an annual departmental retreat where the results are discussed, and suggestions for improvements are enacted. Finally, a departmental industrial advisory committee reviews the assessment data, as well as the capstone projects from the electrical engineering students, and it provides a formal review of the quality of programs. The program will also comply with Board of Governors' related assessment and program Review policies.

#### **6) Resource Sufficiency**

The Computer Science and Engineering faculty have the expertise to support the Electrical Engineering program. Several of Shippensburg's Computer Science and Engineering faculty have a strong history in industry and ongoing industrial experience. Recently, the department hired a tenure-track computer engineering faculty member with a Ph.D. in Electrical Engineering. With the approval of the proposed program, the University will add one new tenure-track faculty member to directly support the electrical engineering program, bringing the total to 2.5 faculty for computer engineers and electrical engineering combined. The anticipated start date of this new hire is fall 2016.

A broad array of existing laboratory equipment is in place to support computer engineering, which will also support electrical engineering. The current facilities include a state-of-the-art printed circuit board fabrication lab, rework stations, programming stations, and test benches.

To support classes that involve modern high-speed digital logic and radio-frequency devices (RF), the electrical engineering program requires additional specialized laboratory instruments, including a signal generator, a spectrum analyzer, and a logic analyzer. This equipment will be funded primarily through Shippensburg's technology fee, to include acquisition, maintenance, and replacement costs.

*Prepared by: Dr. Tom Briggs, Associate Professor Computer Science and Engineering*

Implementation Date: Fall 2015

Date Approved by Council of Trustees: September 5, 2014

**Shippensburg University of Pennsylvania Bachelor of Science in Electrical Engineering  
Budget Narrative**

<b>ESTIMATED REVENUES</b>	<b>NARRATIVE/ASSUMPTIONS</b>
<b>ESTIMATED STUDENT IMPACT OF NEW PROGRAM</b>	
Headcount Enrollment	It is anticipated that a freshman class of 5 new students will begin fall 2015. It is anticipated that the students will be full-time residential students. Using the university's freshmen retention rate of 72%, it is expected that 4 of those 5 new students will remain for 2016-2017 and that 8 new students will begin. After 2 years of extensive marketing it is anticipated that 18-20 new students will begin each fall starting with fall 2017. The following university retention rates were used throughout all five years: Freshmen 72%, Sophomores 63% and Juniors 60%. Another source of students for this program are computer engineering students who may change majors to electrical engineering.
<b>ESTIMATED REVENUE</b>	
Tuition Generated	It is assumed that part-time and out-of-state students will be negligible in this budget (94% of Shippensburg students are in-state and 95% are full-time), we are only using residential full-time tuition.
Instructional Support Fee	The fees listed here are the educational services fees that are assessed of all undergraduate students.
External Grants & Contracts	None at present have been arranged.
Other	For 2015-2016, \$66,000 will be used from Technology Tuition Fee. For 2016-2017, \$59,351 from the New Academic Program Start Up Fund will be used. For 2017-2018, \$8,823 from the New Academic Program Start Up Fund will be used. Thus, a total of \$68,174 from New Academic Program Start Up Fund and \$66,000 from Tech Fee will be allocated.
<b>ESTIMATED EXPENSES</b>	
Salaries and Benefits - Faculty	Shippensburg University will be hiring an Electrical Engineering faculty member (Assistant Step 7) who will begin Fall 2016 (year 2 of program).
Salaries and Benefits (Staff, Grad Assistant Stipend/Waiver, Teaching Assistances, etc.)	None. This new program will be housed in an existing department, Computer Science and Engineering.
Learning Resources	No additional resources are needed; those already present in the department are sufficient.
Instructional Equipment	\$66,000 in new equipment is needed to purchase a signal generator, a spectrum analyzer and a logic analyzer. The equipment addresses Shippensburg's commitment to ABET standards.



Facilities and/or modifications	None are needed for this new program. The modifications that were made for computer engineering also meet the needs for electrical engineering and these address Shippensburg's commitment to ABET standards.
Impact to additional non-major course sections (e.g. General Education)	The formula in the spreadsheet was used and will be sufficient in providing additional sections of general education and cognate courses that will be needed beyond the capacity of those courses.
Administrative Expense	The 20% required formula was used; no adjustments have been made.
Other	None.

**Shippensburg University of Pennsylvania Bachelor of Science in Electrical Engineering  
Five-Year Budget Projection**

Estimated Student Impact of New Program	2015-2016		2016-2017		2017-2018		2018-2019		2019-2020	
	Existing	New	Existing	New	Existing	New	Existing	New	Existing	New
Resident Full-Time Headcount Enrollment		5	4	8	9	18	19	20	27	20
Nonresident Full-Time Headcount Enrollment			0		0		0		0	
Resident Part-Time Headcount Enrollment										
Nonresident Part-Time Headcount Enrollment										
Projected Annual Credits Generated		150		360		810		1170		1410
<b>Estimated Revenue</b>										
Tuition Generated		\$34,100		\$81,840		\$184,140		\$265,980		\$320,540
Instructional Support Fee		\$3,620		\$8,688		\$19,548		\$28,236		\$34,028
External Grants and Contracts										
Other (New Program Start-up Reserve; Tech Fee)		\$66,000		\$59,351		\$8,823		\$0		\$0
<b>Estimated Total Revenue</b>		<b>\$103,720</b>		<b>\$149,879</b>		<b>\$212,511</b>		<b>\$294,216</b>		<b>\$354,568</b>
<b>Estimated Expenses</b>										
Salaries and/or benefits (faculty and staff, grad assistant stipend/waiver)	2015-2016		2016-2017		2017-2018		2018-2019		2019-2020	
	Existing	New	Existing	New	Existing	New	Existing	New	Existing	New
Salaries and/or benefits (faculty and staff, grad assistant stipend/waiver)	\$ -	\$0	\$ -	\$99,773	\$99,773	0	\$99,773	0	\$99,773	0
Salaries and/or benefits (faculty and staff, grad assistant stipend/waiver)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Learning Resources										
Instructional Equipment		\$66,000		\$0		\$0		\$0		\$0
Impact to additional non-major course sections (e.g. General Education)		\$20,000		\$32,000		\$72,000		\$80,000		\$80,000
New Facilities and/or Modifications to existing facilities										
Administrative Expense		\$7,544		\$18,106		\$40,738		\$58,843		\$70,914
Other										
<b>Estimated Total Expenses</b>		<b>\$93,544</b>		<b>\$149,879</b>		<b>\$212,511</b>		<b>\$238,616</b>		<b>\$250,687</b>
<b>Estimated Financial Impact of New Program</b>		<b>\$10,176</b>		<b>\$0</b>		<b>\$0</b>		<b>\$55,600</b>		<b>\$103,881</b>

**Academic and Student Affairs Committee Meeting**

October 8-9, 2014

**SUBJECT:** Approval of a Master of Education in Technology for Online Instruction Degree Program at Slippery Rock University of Pennsylvania (ACTION)

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**UNIVERSITIES AFFECTED:** Slippery Rock University of Pennsylvania

**BACKGROUND:** Slippery Rock University proposes a new Master of Education (M.Ed.) in Technology for Online Instruction designed to teach effective pedagogy for developing an online Kindergarten through Grade 12 (K-12) teaching environment. The proposed 30-credit program is designed to promote the improved performance of teachers in the ever growing K-12 online and blended learning environment.

The proposed online program will leverage the success of Slippery Rock University's existing nine-credit graduate Letter of Completion in Teaching Online in which students can earn advanced standing in the master's program.

**MOTION:** That the Board of Governors approve a Master of Education in Technology for Online Instruction at Slippery Rock University of Pennsylvania.

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

**Other Supporting Documents Available:** Degree Proposal

**Reviewed by:** Slippery Rock University Council of Trustees, June 7, 2014

**Prepared by:** Kathleen M. Howley

**Telephone:** (717) 720-4200

**EXECUTIVE SUMMARY OF DEGREE PROPOSAL**  
**Technology for Online Instruction Master of Education degree (M.Ed.)**  
*October 8, 2014*

**1) Appropriateness to Mission**

Slippery Rock University of Pennsylvania proposes a new Master of Education (M.Ed.) in Technology for Online Instruction degree designed to teach effective pedagogy for developing an online kindergarten through grade 12 (K-12) teaching environment. The proposed online program will include 30 credits of coursework, including a capstone project, where students will develop an online module including lessons, activities, and assessments, and will be offered completely online.

Slippery Rock University currently offers an online graduate Letter of Completion (LOC) in Teaching Online. The master's program will be available to students in the LOC program who are interested in seamlessly advancing into the master's degree program with advanced credit. The master's program online modality is designed to meet needs of adult students who have competing demands for their time.

The proposed program is designed to promote the improved performance of teachers in the region and beyond and, therefore, aligns with the aspects of the University mission to provide high quality undergraduate and graduate academic instruction, promote professional performance, and to address the educationally related economic needs of the region served by the University. It aligns with the College of Education's mission and each department's mission, vision and strategic plan by creating a program that takes advantage of faculty expertise in this area. As stressed in the College and departments' strategic plans, preparing educators to use online technologies to increase student learning is a natural extension of the mission.

**2) Need**

The number of K-12 teachers needed within 150 miles of Slippery Rock University is expected to rise modestly by 2020, adding 3,100 jobs to the region. At the same time, schools across the Commonwealth continue to increase their blended or fully-online learning options. According to the Pennsylvania Department of Education, in 2012-2013, there were over 34,500 students enrolled in one of the 14 Pennsylvania cyber schools, not counting cyber programs available at brick-and-mortar schools. Demand has prompted an additional six cyber schools to apply for a charter, which could drive enrollment up to over 47,000 by 2018. These new schools alone are projecting a need for 343 teachers, who will need specialization in online pedagogy.

The National Center for Education Statistics (NCES) estimates that 53 percent of public high schools had students enrolled in some distance education courses in 2009-2010. In 2010, the U.S. Department of Education made teacher preparation for online instruction a national goal to improve the effectiveness of traditional classroom instruction and connect skilled educators with the underserved communities that need them the most. Helping teachers address the needs of this market will create an important resource within the Commonwealth.

Current students enrolled in Slippery Rock University's College of Education undergraduate programs were surveyed about their interest in future enrollment in the program. Out of 67 responses, more than half (36) were highly or somewhat interested in the program. This program will be unique in the State System.

### **3) Academic Integrity**

Program objectives have been designed to meet the needs of prospective students and the philosophy of the College of Education. Institutional learning objectives informed faculty efforts throughout the development process. The primary matches occur with teaching proficiency, critical thinking, and ethics, which are important emphases for graduate study.

Student Learning Outcomes for the M.Ed. in Instructional Technology for Online Education are as follows.

In order to demonstrate knowledge and skills related to online technologies, students will be able to:

1. define distance education and describe the various definitions of distance education that have been offered;
2. evaluate the variety of technology applications including: blogs, wikis, webinars, podcasts, iPad/Tablet Apps, digital video recording equipment, and others;
3. synthesize the various theories of distance education;
4. describe foundations of internet-based distance education;
5. analyze and evaluate research dealing with learning outcomes in distance education; and
6. identify steps to select appropriate technologies for online instruction.

In order to creatively use technology to enhance pedagogy and assessment skills so that all students can learn online, students in this program will be able to:

1. demonstrate competencies in planning for instruction through internet-based distance education;
2. identify characteristics of the distant education students and analyze and evaluate factors that influence online learner's success;
3. demonstrate skills to apply various assessment strategies to evaluate learner progress in an online course;
4. engage students in meaningful learning with the use of a variety of technology applications including: blogs, wikis, webinars, podcasts, iPad/Tablet Apps, digital video recording equipment, and others;
5. apply technology applications to enhance student learning by creating a unit/lesson plan utilizing three such applications;
6. create projects that will show how they will encourage their students to utilize educational technology; and
7. differentiate instruction to meet the needs of diverse cyber learners.

### **4) Coordination/Cooperation/Partnerships**

Slippery Rock University plans to work with the other State System institutions with teacher education programs to develop a seamless pathway to enter this program.

Since this program is designed for the entire College of Education, each department has been a part of the program design and development by reviewing and utilizing existing courses and developing new courses.

The Dean of the College of Education is currently engaged in ongoing collaborations with the Grove City Intermediate Unit and the 23 participating school districts to offer this program so that it aligns with the evolving leadership and pedagogical needs of their K-12 cyber programs. Faculty members teaching in the master's program will also be conducting site visits with K-12 cyber settings, such as the Burrell School District, PA Distance Learning, and PA Cyber-Aliquippa, PA, in order to continuously align Slippery Rock's curriculum with cyber school needs.

## **5) Assessment**

The unit assessment system called TaskStream will be used to collect data on student and program performance. Assessments will include key course-embedded, performance-based assessments. One such performance-based assessment will involve the capstone course. A performance evaluation rubric detailing student performance objectives will be created and aligned with the objectives of the program. Students will then be assessed with the guidance of this rubric and data on student performance will be collected and aggregated. These data will be used when reflecting on whether curricular adjustments need to be made. Follow-up surveys with employers and program completers will also be made. A faculty committee headed by the assistant to the dean of the College of Education will meet monthly to monitor the assessment system and insure a feedback loop is implemented; decisions on program improvement will be made, in part, with the data collected. The program will also undergo a comprehensive review every five years as required by the Office of the Chancellor. This process includes a departmental self-study and a review by an outside team which will provide important feedback for continuous improvement. Overall department outcomes will also be provided to the college and division in support of institutional assessment. The program will also comply with the Board of Governors' related assessment and program review policies.

## **6) Resource Sufficiency**

Since this program will take place online, no new facilities or equipment will be needed. Financial resources are required to pay faculty to teach the three courses each fall and spring semesters. Overall enrollment in several undergraduate classes has declined in recent semesters, so sections of existing courses will be reduced to allow reallocation to the master's degree program. In addition, Slippery Rock University has funds set aside for investment in new programming. The provost has committed this funding toward the startup costs of this new master's degree until break-even is reached.

*Prepared by: Dr. A. Keith Dils, Dean of the College of Education*

Implementation date: Fall 2015

Date approved by Council of Trustees: June 7, 2014

**Slippery Rock University of Pennsylvania Master of Education in Technology for Online Instruction  
Budget Narrative**

<b>ESTIMATED REVENUES</b>	<b>NARRATIVE/ASSUMPTIONS</b>
<b>ESTIMATED STUDENT IMPACT OF NEW PROGRAM</b>	
Headcount Enrollment	This annual fall start cohort can be completed in 12 months with fall, winter, spring, and summer schedule of coursework or in 24 months if enrolled half-time. The projections are based upon 8 full-time and 5 part-time students in year one, 19 students in year three and 23 students in year five. One full-time nonresident student is projected to enroll starting in year three. The first cohort will enroll in fall 2015. Each full-time student will enroll for 30 credit hours and complete the program in one year. Part-time students will enroll for 15 credit hours per year and will complete the program in two years. A retention rate of 80 percent is used between years one and two, a rate similar to the university's retention rate.
<b>ESTIMATED REVENUE</b>	Year 1 = \$170,380; Year 2 = \$203,619; Year 3 = \$219,593; Year 4 = \$243,087; Year 5 = \$250,919.
Tuition Generated	The tuition is based on the resident graduate tuition and the approved distance education rate for nonresident students. Nonresident students will be assessed 102 percent of the graduate resident tuition rate.
Instructional Support Fee	The Slippery Rock University Academic Enhancement fee, approved by the Council of Trustees, for graduate students is 15 percent of tuition, or \$66.30 per resident credit hour and \$67.65 per nonresident credit hour. The rate falls within the allowable fees under BOG policy.
External Grants & Contracts	No grants or external contracts are anticipated at this time.
Other	The provost has committed use of Program Investment reserves until break-even is reached.
<b>ESTIMATED EXPENSES</b>	Year 1 = \$170,380; Year 2 = \$193,796; Year 3 = \$197,450; Year 4 = \$202,834; Year 5 = \$204,629
Salaries and Benefits - Faculty	<p>All courses will be taught by existing University faculty. Faculty salary and benefit expenses reflect .75 FTE per academic year at the rank of associate professor.</p> <p>Years one's salary and benefits total includes summer salary and benefits associated with teaching between two courses during the summer term. In addition, two courses will be offered each year during winter session.</p> <p>For example, year one faculty salary and benefits total \$129,752 reflecting the expenses associated with a .75 FTE academic year faculty, six weeks of summer contracts to teach two summer courses and two winter</p>

	session courses. In year two, the faculty FTE remains at .75 FTE; however, summer course offerings increase from two to four, increasing faculty salary and benefit costs to \$144,945. Increased distance education payments result in small increases to faculty salary and benefit expenses in years three through five.
Salaries and Benefits (Staff, Grad Assistant Stipend/ Waiver, Teaching Assistances, etc.)	Program faculty will provide resources to recruit, admit and retain students. In addition, five percent of the staff position assigned to Secondary Education will assist the program.
Learning Resources	No additional instructional equipment is anticipated.
Instructional Equipment	Instructional expenses include supplies, postage and printing and are calculated at one percent of tuition and fee revenue.
Facilities and/or modifications	Because the proposed program is delivered online, no facilities modifications are anticipated.
Administrative Expense	20% of tuition and instructional support fees.
Other	The five-year budget includes marketing expenses.



**Slippery Rock University of Pennsylvania Master of Education in Technology for Online Instruction  
Five-Year Budget Projection**

Estimated Student Impact of New Program	Year 1		Year 2		Year 3		Year 4		Year 5	
	Existing	New	Existing	New	Existing	New	Existing	New	Existing	New
Resident Full-Time Headcount Enrollment		8		9		8		8		8
Nonresident Full-Time Headcount Enrollment						1		1		1
Resident Part-Time Headcount Enrollment		5	3	5	3	7	5	8	6	8
Nonresident Part-Time Headcount Enrollment										
Projected Annual Credits Generated	315		390		420		465		480	
<b>Estimated Revenue</b>										
Tuition Generated	\$143,010		\$177,060		\$190,950		\$211,380		\$218,190	
Instructional Support Fee	\$21,452		\$26,559		\$28,643		\$31,707		\$32,729	
External Grants and Contracts										
Other - Program Investment Reserves	\$5,918									
<b>Estimated Total Revenue</b>	<b>\$170,380</b>		<b>\$203,619</b>		<b>\$219,593</b>		<b>\$243,087</b>		<b>\$250,919</b>	
<b>Estimated Expenses</b>										
Estimated Expenses	Year 1		Year 2		Year 3		Year 4		Year 5	
	Existing	New	Existing	New	Existing	New	Existing	New	Existing	New
Salaries and benefits - Faculty	\$129,752		\$144,945		\$145,245		\$145,695		\$145,845	
Salaries and/or benefits Other (staff, grad assistant stipend/waiver, teaching assistants, etc.)	\$2,591		\$2,591		\$2,591		\$2,591		\$2,591	
Instructional Expenses		\$1,645		\$2,036		\$2,196		\$2,431		\$2,509
Instructional Equipment										
New Facilities and/or Modifications to existing facilities										
Administrative Expense	\$32,892		\$40,724		\$43,919		\$48,617		\$50,184	
Other		\$3,500		\$3,500		\$3,500		\$3,500		\$3,500
<b>Estimated Total Expenses</b>	<b>\$170,380</b>		<b>\$193,796</b>		<b>\$197,450</b>		<b>\$202,834</b>		<b>\$204,629</b>	
<b>Estimated Financial Impact of New Program</b>	<b>\$0</b>		<b>\$9,823</b>		<b>\$22,142</b>		<b>\$40,253</b>		<b>\$46,290</b>	

**Academic and Student Affairs Committee Meeting**  
October 8–9, 2014

**SUBJECT:** Gaining Early Awareness and Readiness for Undergraduate Programs Partnership Grant (INFORMATION)

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**UNIVERSITIES AFFECTED:** All

**BACKGROUND:** The Pennsylvania’s State System of Higher Education received notice from the U.S. Department of Education that the System’s proposal for a third Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) partnership grant was funded. The previous two GEAR UP grants included a \$15 million grant for September 2002 through December 2008 and an \$18 million grant for July 2008 through December 2014. This newly awarded grant proposal received the maximum number of points awarded on a competitive selection factor for carrying out successful GEAR UP grants based on data in the annual and final reports.

This seven-year project, totaling \$22,181,212, is designed to increase student achievement in urban school districts through data-driven decisions, develop a sustainable college-going culture, and establish a shared-community vision for equitable college access and success. It will serve and follow a cohort of approximately 2,800 students from the Harrisburg, Allentown, and Philadelphia school districts in the seventh grade through freshman year of college. Managed by staff in the Office of the Chancellor, the funding will also provide for three university-based regional managers at Shippensburg, Kutztown, and West Chester Universities. The partnership includes the 14 State System universities, the Pennsylvania Higher Education Assistance Agency (PHEAA), the Pennsylvania Treasury 529 College Savings Program, the SAGE Scholars Tuition Rewards Enrollment Consortium, and other partners such as PP&L and United Way.

Objectives of the grant include the following.

- Increase student achievement and preparation for postsecondary education by: implementing evidence-based instructional strategies; using data to identify gaps in instruction; increasing the number of students who take rigorous courses; and providing academic support.
- Develop a “college-going culture” by increasing the graduation rate and preparation for postsecondary education by helping students: explore careers and requirements; understand college entrance requirements; comprehend financial literacy as well as financial aid options; identify the best college fit; and increase non-cognitive skills.
- Increase parent knowledge of postsecondary education options, preparation, and financing by having them understand: the need for students to take rigorous courses; college entrance requirements; financial aid options; financial literacy; and how to identify the best college fit.
- Increase enrollment and first-year-to-second-year persistence in postsecondary education.

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**Supporting Documents Included:** N/A

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

**Reviewed by:** N/A

**Prepared by:** Kathleen M. Howley

**Telephone:** (717) 720-4200

**Academic and Student Affairs Committee Meeting**  
October 8–9, 2014

**SUBJECT:** Fall 2014 Student Profile and Enrollment Trends (INFORMATION)

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**UNIVERSITIES AFFECTED:** All

**BACKGROUND:** Annually, the Board of Governors is presented with fall semester enrollment data based on information available as of the 15th day of classes. The data will be provided in the context of enrollment trends, programmatic alignments, and new programmatic opportunities.

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**Supporting Documents Included:** N/A

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

**Reviewed by:** N/A

**Prepared by:** Kathleen M. Howley

**Telephone:** (717) 720-4200



# Audit Committee

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

October 8-9, 2014

## Agenda

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**Committee Members:** Joseph F. McGinn (*Chair*), Christopher H. Franklin, Jonathan B. Mack, Senator John T. Yudichak, Guido M. Pichini (*ex officio*), and Francis L. Hendricks (nonvoting presidential liaison).

For further information, contact James S. Dillon at (717) 720-4100.

**Audit Committee Meeting**

October 8–9, 2014

**SUBJECT:** Office of Internal Audit and Risk Assessment (OIARA) Update (INFORMATION)

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**UNIVERSITIES AFFECTED:** All

**BACKGROUND:** A report of Committee work will be provided at the Board meeting by the Committee Chairman.

The Office of Internal Audit and Risk Assessment's (OIARA) Fiscal Year 2014/15 work plan details 31 individual projects. Additionally, nine engagements and three special projects were ongoing as of June 30, 2014, carrying forward for completion in the current fiscal year. During the quarter, the OIARA made significant progress in support of project initiatives as detailed in the *OIARA Fiscal Year 2014/15 – First Quarter Project Update* (attached).

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**Supporting Documents Included:** OIARA Fiscal Year 2014/15 – First Quarter Project Update

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

**Reviewed by:** N/A

**Prepared by:** Dean Weber

**Telephone:** (717) 720-4123

## Office of Internal Audit and Risk Assessment Fiscal Year 2014/15 – First Quarter Project Update

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### Summary

The Office of Internal Audit and Risk Assessment's (OIARA) fiscal year 2014/15 work plan defines 31 individual projects. Additionally, 12 engagements ongoing as of June 30, 2014, carried forward providing 43 initiatives for completion in the current fiscal year.

During the first quarter, work concluded on ten engagements while eight projects remain ongoing. Separately, 13 case reports were received through the State System's Incident Reporting System.

### Projects Completed First Quarter FY 2014/15

The following ten engagements were concluded during the first quarter, providing management with 48 internal control recommendations.

<b>University</b>	<b>Project</b>	<b>Report Issued</b>
East Stroudsburg	Clery Act Compliance	07/14/14
Edinboro	Miscellaneous Campus Cash Collections	08/06/14
Office of the Chancellor	Flexible Spending Program Review	08/08/14
East Stroudsburg*	Miscellaneous Campus Cash Collections	08/28/14
West Chester*	Incident Reporting System Case 75	09/05/14
Cheyney	Information Technology General Controls	09/10/14
Slippery Rock	Information Technology General Controls	09/15/14
Bloomsburg	Information Technology General Controls	09/16/14
Edinboro	Information Technology General Controls	09/25/14
Kutztown*	Presidential Transition Review	09/29/14

\* Denotes Non-Work Plan, Special Project Engagement

### Projects Underway at Close of First Quarter FY 2014/15

At the close of the first quarter, project work remains underway on the following eight projects.

<b>University</b>	<b>Project</b>	<b>Project Status</b>
California	Distance Education	Fieldwork Underway
Cheyney*	Incident Reporting System Cases 100/101	Fieldwork Underway
Cheyney*	Athletic Department Fiscal Review	Fieldwork Underway
Indiana	Information Technology General Controls	Fieldwork Underway
Indiana	NCAA Compliance Review	Draft Report Issued
Mansfield*	Incident Reporting System Case 120	Fieldwork Underway
Shippensburg	International Education/Study Abroad	Fieldwork Concluded
West Chester	Accounts Payable	Draft Report Issued

\* Denotes Non-Work Plan, Special Project Engagement

### **Management Corrective Actions - OIARA Follow-up Assessments**

Beginning last year, the OIARA instituted a formalized process to follow-up on prior audit report recommendations and evaluate implementation of management responses addressing completed engagements. During the first quarter, 30 prior-period recommendations have been verified as resolved.

### **PASSHE Incident Reporting System**

The State System maintains an active incident reporting system as a means to confidentially receive concerns of employees, students, and others within the university communities regarding situations believed to be inappropriate. During the first quarter of FY 2014/15, 13 new case reports were received through the Incident Reporting System.

### **Other First Quarter Activities**

To provide the State System community with information regarding internal audit and risk assessment issues of interest, the OIARA has begun electronically distributing periodic briefs designed to enhance communications regarding internal audit project results. The first *Internal Audit and Risk Assessment Information Brief* was released in September 2014.



# Finance, Administration, and Facilities Committee

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

October 8-9, 2014

## Agenda

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**Committee Members:** Ronald G. Henry (Chair), Jennifer G. Branstetter (designee for Governor Thomas W. Corbett), Laura E. Ellsworth, Todd M. Garrett, Representative Michael K. Hanna, David M. Maser, Robert S. Taylor, Guido M. Pichini (ex officio), and Dr. David L. Soltz (nonvoting presidential liaison)

For further information, contact James S. Dillon at (717) 720-4100.



**Finance, Administration, and Facilities Committee Meeting**

October 8–9, 2014

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

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**UNIVERSITIES AFFECTED:** All

**BACKGROUND:** Act 188 of 1982 requires the Board of Governors to approve the operating budgets for State System 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 Finance, Administration, and Facilities Committee has reviewed the underlying assumptions regarding enrollment, human resources costs, and inflationary factors upon which the budget estimates are built for fiscal years 2014/15 and 2015/16. The fiscal year 2015/16 budgets are unbalanced, as no assumptions have been made concerning changes in state appropriations, tuition rates, or compensation requirements of collective bargaining agreements at this time.

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 State System entities.

**MOTION:** That the Board of Governors approve the attached Educational and General operating budgets for State System entities for fiscal year 2014/15.

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**Supporting Documents Included:** Educational and General Operating Budget Summaries for Pennsylvania's State System of Higher Education Entities for Fiscal Years 2013/14 through 2015/16

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

**Reviewed by:** Office of the Chancellor

**Prepared by:** James S. Dillon

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

## **Educational and General Operating Budget Summaries for Pennsylvania's State System of Higher Education Entities**

*October 8, 2014*

Act 188 of 1982 requires the State System's budget request to be developed based upon university needs. System universities were provided with instructions to develop their 2015/16 Educational and General (E&G) budget requirements, which include anticipated changes in salaries, benefits, and other cost categories, with the following exception. Compensation requirements for approximately 87 percent of System employees are established in collective bargaining agreements that end June 30, 2015, or earlier. Therefore, 2015/16 wage requirements are unknown at this time. As has been the case in prior years when wage components were unknown, **no pay adjustments beyond June 30, 2015, have been addressed in these budget estimates.** (This is not to be viewed as a bargaining position.)

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 (2014/15) and request year (2015/16).

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 the System's budget request parameters. Below are explanations of the enrollment, revenue, and expenditure expectations for System universities and the Office of the Chancellor for 2014/15 and 2015/16, as submitted by the universities in September 2014 and reviewed by the Office of the Chancellor. A summary for each entity is provided at the end of this overview.

### **Enrollment Trends**

While state appropriations are a diminishing portion of the System's revenue, most System universities—like others in Pennsylvania—are experiencing enrollment declines with a corresponding adverse effect on tuition and fee revenues. For example, 15 of 19 Pennsylvania State University branch campuses have experienced significant enrollment reductions over the last five years. The System's overall anticipated 2014/15 reduction of approximately 1,900 annualized full-time equivalent (FTE) students, or 1.8 percent, is consistent with preliminary fall 2014 enrollment statistics. For some System universities, this represents the fifth straight year of enrollment decline. Ten universities anticipate no growth or additional reductions in enrollment for fiscal year 2015/16, resulting in a continued overall enrollment decrease of an additional 0.8 percent. In 2010/11, the System's enrollment peaked at approximately 112,000 FTE students, but has since declined by over 10,000 FTE students, or 9.2 percent, to the anticipated 2015/16 enrollment of approximately 102,000 FTE students.

The declining number of high school graduates is a contributing factor. Similar demographic trends are occurring nationally as other states, especially in the Northeast, are experiencing modest declines in high school graduates associated with the Baby Boom Echo.<sup>1</sup> In Pennsylvania, the number of high school graduates is expected to increase in 2016; however, experience varies significantly by county. In addition, changes in state and local policies regarding advanced degrees for teachers contributed to an overall decline in graduate enrollment of 18.6 percent since 2010/11.

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<sup>1</sup>*Knocking at the College Door*, Western Interstate Commission of Higher Education, December 2012

University-specific FTE enrollment projections vary significantly, with the 2014/15 one-year change ranging from a 23.7 percent decrease at Cheyney University to a 1.6 percent increase at East Stroudsburg University. Since 2010/11, enrollment changes range from a 37.9 percent decline at Cheyney University to a 9.9 percent increase at West Chester University. Enrollment estimates for 2015/16 reflect a one-year change ranging from an 8.5 percent decrease at Mansfield University to an 11.1 percent increase at Cheyney University.

### **Budget Realignment**

In the midst of declining enrollment, the State System's expenditure requirements continue to rise. The System'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. Universities began fiscal year 2014/15 by addressing a System-wide budgetary gap of over \$38 million, resulting from mandatory cost increases that exceeded available revenue.

System universities continue to respond by retooling in order to meet changing student demographics and new program content needs and modalities. For some, the corresponding program realignment and workforce planning efforts may result in eliminating faculty and/or nonfaculty positions over and above the complement changes reflected in this document. Such adjustments to work force and structural program realignment require a multiyear approach.

Universities have incorporated these structural adjustments in their budgets in different ways, as they are at various stages in their planning processes. In most cases, universities have reflected a planned use of Carryforward in 2014/15 as a one-time funding source while plans are being finalized for structural realignment. Some universities continue to show a similar planned use of Carryforward as a placeholder in 2015/16; others reflect a corresponding reduction in compensation as they anticipate reductions in work force.

### **Fiscal Year 2014/15 Highlights Revenue/Sources**

**Tuition**—The Board of Governors approved a 3.0 percent tuition rate increase for fiscal year 2014/15. The 2014/15 tuition revenue projections reflect the combined effect of tuition rate increases and declining enrollment at all but four System universities, as highlighted above. In addition, tuition flexibility pilots have been implemented during summer or fall 2014 at California, Cheyney, East Stroudsburg, Edinboro, Millersville, and West Chester Universities. System-wide, tuition revenue is expected to increase \$11.0 million, or 1.3 percent, ranging from a 16.3 percent reduction at Cheyney University to a 10.6 percent increase at Millersville 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 \$49.3 million in revenue for instructional technology purposes. Fee revenue reflects the combined impact of rate adjustments and enrollment changes. Rate adjustments include fee flexibility pilots implemented in fall 2014 at Edinboro, Lock Haven, and Millersville Universities. University mandatory fee rates increased on average 5.9 percent. University fee practices vary significantly.

**State Appropriation**—The System's 2014/15 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 \$37.4 million (an increase of \$0.4 million) is distributed based upon performance; the remaining is distributed through the System's allocation formula, which was revised effective this fiscal year. The 2014/15 university change in state appropriation reflects the first year of a three-year phased transition to the new allocation formula, as approved by the

Board of Governors. Performance funding awards for 2014/15 had not been determined before the completion of this document; each university's 2014/15 and 2015/16 performance funds, included in its state appropriation, are estimated at the same proportion of the performance pool received by each university in 2013/14.

**Transition Funds**—To minimize the negative impact of the first year's phased implementation of the new allocation formula, one-time transition funds totaling approximately \$3.0 million were awarded to Bloomsburg, Cheyney, Indiana, Kutztown, Mansfield and West Chester Universities in 2014/15. These transition funds were provided from the Office of the Chancellor and System-wide unrestricted net assets.

**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.

**Planned Use of Carryforward**—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 Planned Use of Carryforward. 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 Planned Use of Carryforward funds in 2014/15 either to partially fund ongoing expenses as a transitional tool while implementing multiyear realignments, or for specific capital projects and new academic initiatives. Please note that there is no Planned Use of Carryforward in 2013/14, as the prior year reflects the actual net result of the year's revenues and expenditures/transfers; typically, a surplus increased E&G net assets while a shortfall reduced E&G net assets.

### **Expenditures/Transfers**

**Compensation**—Universities estimate budgeted FTE positions based upon known complement and anticipated vacancies. The prior year's FTE employees reflects the actual filled FTE positions throughout the year. Given the continuing budget challenges, most positions vacated during 2013/14 were either frozen or eliminated, resulting in the final 2013/14 complement being 77 fewer positions than budgeted. This fall, the System is employing approximately 800 fewer permanent employees than five years ago (fall 2009). Most System universities are planning to fill key positions in 2014/15, with a net increase in funded positions at six universities. In total, 10,979 E&G FTE positions are budgeted for 2014/15. Although this represents an increase of 4.7 FTE positions, there are 61 fewer E&G FTE positions budgeted in 2014/15 than were originally requested for this fiscal year. The 2014/15 change in E&G employees ranges from a

reduction of 37 FTE positions at California University to an increase of 33 FTE positions at West Chester University.

The 2014/15 change in complement varies by employee group, ranging from a net reduction of 45 faculty FTE to a net increase of 38 nonrepresented FTE. The overall decrease in faculty complement is the result of declining enrollment and realignment of academic programs. The increase in nonrepresented FTE employees in most cases is the result of a lower actual FTE

complement in 2013/14 due to normal employee turnover, while essential positions were vacant. In addition, several nonrepresented FTE positions are associated with instructional technology, enrollment management, and/or self-supporting functions.

For 87 percent of System employees, compensation rates are specified within eight different collective bargaining agreements. 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**—Fiscal year 2014/15 represents the final year of contracts with most bargaining units and incorporates various combinations of increment and general pay increases. The 2014/15 fiscal impact of these increases by bargaining unit ranges from 2.3 percent to 5.1 percent. Coupled with these compensation increases are changes to university-budgeted complement resulting from retirements (including the Voluntary Retirement Incentive Program for faculty and coaches), enrollment changes, accreditation requirements, and efficiency and productivity efforts. These combined changes in complement and compensation result in an average salary and wage increase of 3.7 percent.

**Benefits**—The vast majority of System 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. The System's employer rates for the PPO plan increased 4.3 percent, while the PEBTF employer rates reflected in the new American Federation of State, County and Municipal Employees (AFSCME) agreement increased 7.1 percent. The System's retiree health care rates remained stable, while the Commonwealth's retiree health care rates increased 9.5 percent. The most common rates for the State Employees' Retirement System (SERS) and Public School Employees' Retirement System (PSERS), in which almost half of the System's employees participate, increased approximately 32 percent and 26 percent, respectively. In total, employee benefits expenses are projected to increase 9.5 percent.

**Student Financial Aid**—In April 2014, the Board of Governors amended Policy 1996-01-A: *Sources of Funding for University Scholarships*, to allow councils of trustees to establish institutional scholarship programs with limited Educational and General revenue. Given the growing emphasis on affordability, retention, enrollment management, and the net price to the student, Educational and General expenditures for student financial aid are reflected as a separate category in this year's budget summary. Significant growth in the use of institutional unrestricted resources for student aid is reflected in 2014/15, corresponding with the recent flexibility provided by Board policy, and expectations regarding affordability of pricing flexibility pilots. E&G student aid expenditures in 2014/15 are projected to grow \$5.1 million, or 14.8 percent, and vary significantly by university.

**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 2013/14 included an unusually harsh winter and a corresponding increase in utilities usage. Fiscal year 2014/15 utilities costs, reflecting anticipated rate increases, are estimated to increase an average of 3.1 percent.

**Other 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; and noncapital equipment. Costs in several commodity areas were contained through System-wide strategically sourced procurements. In addition, universities routinely purchase products and services under Commonwealth and other governmental contracts to reduce costs. During 2014/15, other service and supply expenditures are expected to increase 9.4 percent on average. 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 the System'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. The System 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 2015/16 Highlights**

University 2015/16 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 into 2015/16 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 appropriations request will be developed. No attempt has been made to balance each university's budget, as they reflect no change in tuition rates or appropriation.

### **Revenue/Sources**

**Tuition**—Changes in tuition revenue reflect the impact of projected changes in annualized FTE enrollment. The System's total 2015/16 annualized FTE enrollment is anticipated to decrease by 862 FTE students, or 0.8 percent; six universities project enrollment decreases. Changes in student mix (e.g., full-time versus part-time, residency, and student level) also affect tuition estimates for 2015/16. In addition, to the extent possible, the impact of tuition flexibility pilots has been incorporated at California, Cheyney, Clarion, East Stroudsburg, Edinboro, Mansfield, Millersville, and West Chester Universities. No assumptions are made concerning tuition rate increases at this time.

**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. To the extent possible, rate adjustments include fee

flexibility pilots implemented at Clarion, East Stroudsburg, Edinboro, Lock Haven, Mansfield, and Millersville Universities. Instructional support and Technology Tuition Fee increases occur in concert with the general tuition rate.

**State Appropriation**—The 2015/16 state appropriation for each university reflects the second year of phased implementation to the newly revised allocation formula, assuming no change in the System’s overall E&G appropriation. This results in some significant changes in funding per university. Although each university’s allocation of the appropriation 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 appropriations request that may differ from this appropriation assumption.

**Transition Funds**—The one-time transition funds provided in 2014/15 to minimize the negative impact of the first year’s phased implementation of the new allocation formula on six universities will not be available in 2015/16.

**All Other Revenue**—As in 2014/15, most universities do not anticipate increases and/or continuation of certain miscellaneous revenue sources until received. In addition, they limit expenditures supported by these specific revenue streams in their budget estimates.

**Planned Use of Carryforward**—Typical initiatives funded with Carryforward include new academic programs, major equipment purchases and upgrades, facilities improvements, and transitions through demographic changes. Most universities reflect a Planned Use of Carryforward in 2014/15 to partially fund ongoing expenses as a transitional tool, while implementing multiyear realignments of programs and work force. For most, these plans were under development at the time their budget request documents were submitted. Therefore, some universities reflect a continued reliance on Carryforward in 2015/16 as a placeholder while restructuring decisions are being finalized. Other universities reflect a reduced reliance on Carryforward and corresponding reductions in compensation at an aggregate level, in anticipation of workforce reductions.

## **Expenditures/Transfers**

**Compensation**—In general, universities are anticipating no change in employee complement in 2015/16. Given the combined impact of the fiscal climate, enrollment reductions, and program relevancy, several universities are in the midst of program realignment and workforce planning efforts that may result in eliminating faculty and/or nonfaculty positions over and above the complement changes reflected in this document. As universities are at various stages in this planning process, which requires a multiyear implementation strategy, complement reductions associated with these developing plans typically are excluded from these complement estimates; however, compensation may be reduced to reflect a commitment to reducing labor costs.

**Salaries and Wages**—Compensation requirements for approximately 87 percent of the System’s employees are established in collective bargaining agreements that end June 30, 2015, or earlier. Therefore, 2015/16 wage requirements are unknown at this time. As has been the case in prior years when wage components were unknown, **no pay adjustments beyond June 30, 2015, have been addressed in these budget estimates.** In addition, no pay adjustments have been addressed in 2014/15 for the employees represented by the International Union, Security, Police, and Fire Professionals of America. This is not to be viewed as a bargaining position. In some

cases, 2015/16 salaries reflect a reduction as employees at the top of their pay scales received a one-time cash payment in 2014/15. Salaries and wages include base pay of permanent and temporary employees, overload and overtime pay, summer/winter session compensation, other miscellaneous pay categories, and student wages. Overall, a 0.4 percent decrease in salaries and wages is anticipated, based upon these assumptions, ranging from a 4.1 percent reduction at Mansfield University to a 1.9 percent increase at East Stroudsburg University.

**Benefits**—The System’s primary cost drivers for 2015/16 are retirement and health care costs.

The two primary Commonwealth retirement programs, SERS and PSERS, continue to experience financial stress that is resulting in significant rate increases. Approximately half of the System’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 19.9 percent of salaries to 24.9 percent of salaries, or an increase of 25.1 percent. PSERS rates are expected to increase 21.0 percent. The combined cost associated with SERS and PSERS rate increases alone is \$13.6 million. Retirement rates associated with the alternative retirement programs remain the same. Combined retirement costs—various rate increases applied to a relatively stable salary and wage base—are expected to increase in 2015/16 by \$13.8 million, or 13.9 percent.

Of those employees who receive health benefits, approximately 62 percent are enrolled in the System’s health care program. The employer share of health care costs for active and annuitant employees within the System-managed programs is expected to increase an average of 7.0 percent next year based upon a combination of national trends, the System’s health care experience, participation in the wellness program, and the anticipated change in complement. These estimates also include additional costs required by federal health care reform. The remaining 38 percent of System employees receive health care through PEBTF. These rates are established in the AFSCME collective bargaining agreement, which reflects an employer rate increase of 7.1 percent for 2014/15—the final year of the contract. The Commonwealth’s budget guidelines include 2015/16 health care rate increases of 6.6 percent for PEBTF and 16.2 percent for retiree health care. Combined health care costs are anticipated to increase \$16.5 million, or 8.7 percent.

Overall, employee benefits expenditures are expected to increase \$29.9 million, or 7.9 percent, ranging from 4.4 percent at Mansfield University to 10.2 percent at Millersville University. 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 projected rates and continued energy savings initiatives. The System’s combined utilities costs are anticipated to increase 2.0 percent.

**Other Services and Supplies**—For 2015/16, universities estimate a net reduction in costs for professional services, materials, supplies, and uncapitalized equipment of \$4.8 million. This reflects the combined reduction of one-time expenditures supported in 2014/15 with Carryforward funds and increased prices for ongoing services and supplies in 2015/16. University experiences vary significantly; fluctuations tend to be associated with those universities that reflect a change in planned 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 2014/15 for investments in specific capital projects show a reduction of capital expenditures and transfers in 2015/16. Most other institutions are continuing their current level of commitment to major physical plant (including debt service), equipment, and library expenditures into 2015/16. Overall, the System’s 2015/16 capital expenditures and transfers are projected to decrease 10.8 percent, though university experiences vary significantly.

**Revenue/Sources Less Expenditures/Transfers**—As previously mentioned, universities submit unbalanced budgets for 2015/16. No attempt was made to balance each university’s budget, as no assumptions have been made regarding potential changes to appropriation and/or tuition rates. Based upon these submissions, a proposed appropriations 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 8, 2014. The shortfall reflected in each university’s 2015/16 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

<b>Educational and General Budget</b>					
<b>Revenue/Sources</b>	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
Tuition	\$79,363,520	\$81,053,196	2.1%	\$81,227,239	0.2%
Fees	14,737,507	15,975,445	8.4%	16,038,681	0.4%
State Appropriation	32,994,559	32,870,585	-0.4%	32,731,312	-0.4%
Transition Funds	0	140,000	n/a	0	-100.0%
All Other Revenue	4,879,160	4,543,727	-6.9%	4,375,801	-3.7%
Planned Use of Carryforward	n/a	10,248,234	n/a	4,138,034	-59.6%
<b>Total Revenue/Sources</b>	<b>\$131,974,746</b>	<b>\$144,831,187</b>	<b>9.7%</b>	<b>\$138,511,067</b>	<b>-4.4%</b>
<b>Expenditures and Transfers</b>					
Compensation Summary:					
Salaries and Wages	\$68,510,723	\$72,923,633	6.4%	\$72,571,514	-0.5%
Benefits	30,647,582	35,083,634	14.5%	38,346,150	9.3%
Subtotal, Compensation	\$99,158,305	\$108,007,267	8.9%	\$110,917,664	2.7%
Student Financial Aid	2,498,608	2,783,449	11.4%	2,683,245	-3.6%
Utilities	2,883,325	2,843,376	-1.4%	2,900,244	2.0%
Other Services and Supplies	18,568,803	24,296,994	30.8%	22,028,209	-9.3%
Subtotal, All Services and Supplies	\$23,950,736	\$29,923,819	24.9%	\$27,611,698	-7.7%
Capital Expenditures and Transfers	6,186,635	6,900,101	11.5%	5,582,699	-19.1%
<b>Total Expenditures and Transfers</b>	<b>\$129,295,676</b>	<b>\$144,831,187</b>	<b>12.0%</b>	<b>\$144,112,061</b>	<b>-0.5%</b>
<b>Revenue/Sources Less Expenditures/Transfers</b>	<b>\$2,679,070</b>	<b>\$0</b>		<b>(\$5,600,994)</b>	

<b>Annualized FTE Enrollment</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
In-State Undergraduate	7,959.43	7,906.23	-0.7%	7,911.67	0.1%
Out-of-State Undergraduate	1,087.34	1,078.33	-0.8%	1,079.20	0.1%
In-State Graduate	498.67	492.13	-1.3%	491.25	-0.2%
Out-of-State Graduate	87.96	83.75	-4.8%	84.58	1.0%
<b>Total FTE Enrollment</b>	<b>9,633.40</b>	<b>9,560.44</b>	<b>-0.8%</b>	<b>9,566.70</b>	<b>0.1%</b>

<b>E&amp;G FTE Employees</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Change</b>	<b>FY 2015/16</b>	<b>Change</b>
Faculty	503.63	508.51	4.88	508.51	0.00
AFSCME	329.64	329.64	0.00	329.64	0.00
Nonrepresented	100.82	100.90	0.08	100.90	0.00
SCUPA	52.13	53.13	1.00	53.13	0.00
All Other	56.37	56.37	0.00	56.37	0.00
<b>Total Budgeted FTE Employees</b>	<b>1,042.59</b>	<b>1,048.55</b>	<b>5.96</b>	<b>1,048.55</b>	<b>0.00</b>

Board of Governors' Budget Request Summary  
California University of Pennsylvania

<b>Educational and General Budget</b>					
<b>Revenue/Sources</b>	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
Tuition	\$65,699,355	\$67,547,930	2.8%	\$65,010,191	-3.8%
Fees	11,287,396	11,720,067	3.8%	11,263,058	-3.9%
State Appropriation	29,751,310	29,682,533	-0.2%	29,598,534	-0.3%
Transition Funds	0	0	n/a	0	n/a
All Other Revenue	5,313,983	5,441,661	2.4%	5,529,726	1.6%
Planned Use of Carryforward	n/a	865,419	n/a	0	-100.0%
<b>Total Revenue/Sources</b>	<b>\$112,052,044</b>	<b>\$115,257,610</b>	<b>2.9%</b>	<b>\$111,401,509</b>	<b>-3.3%</b>
<b>Expenditures and Transfers</b>					
Compensation Summary:					
Salaries and Wages	\$56,011,480	\$56,857,349	1.5%	\$56,186,343	-1.2%
Benefits	23,970,639	25,253,627	5.4%	27,016,500	7.0%
Subtotal, Compensation	\$79,982,119	\$82,110,976	2.7%	\$83,202,843	1.3%
Student Financial Aid	4,344,963	5,600,000	28.9%	5,600,000	0.0%
Utilities	2,383,265	2,478,595	4.0%	2,528,168	2.0%
Other Services and Supplies	18,790,639	18,486,614	-1.6%	18,486,614	0.0%
Subtotal, All Services and Supplies	\$25,518,867	\$26,565,209	4.1%	\$26,614,782	0.2%
Capital Expenditures and Transfers	5,854,428	6,581,425	12.4%	6,581,425	0.0%
<b>Total Expenditures and Transfers</b>	<b>\$111,355,414</b>	<b>\$115,257,610</b>	<b>3.5%</b>	<b>\$116,399,050</b>	<b>1.0%</b>
<b>Revenue/Sources Less Expenditures/Transfers</b>					
	\$696,630	\$0		(\$4,997,541)	

<b>Annualized FTE Enrollment</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
In-State Undergraduate	5,485.00	5,175.00	-5.7%	4,953.00	-4.3%
Out-of-State Undergraduate	622.00	587.00	-5.6%	562.00	-4.3%
In-State Graduate	1,165.00	1,283.00	10.1%	1,244.00	-3.0%
Out-of-State Graduate	544.00	598.00	9.9%	582.00	-2.7%
<b>Total FTE Enrollment</b>	<b>7,816.00</b>	<b>7,643.00</b>	<b>-2.2%</b>	<b>7,341.00</b>	<b>-4.0%</b>

<b>E&amp;G FTE Employees</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Change</b>	<b>FY 2015/16</b>	<b>Change</b>
Faculty	317.00	313.00	(4.00)	313.00	0.00
AFSCME	228.00	214.00	(14.00)	214.00	0.00
Nonrepresented	96.00	87.00	(9.00)	87.00	0.00
SCUPA	57.00	47.00	(10.00)	47.00	0.00
All Other	61.00	61.00	0.00	61.00	0.00
<b>Total Budgeted FTE Employees</b>	<b>759.00</b>	<b>722.00</b>	<b>(37.00)</b>	<b>722.00</b>	<b>0.00</b>

Board of Governors' Budget Request Summary  
 Cheyney University of Pennsylvania

<b>Educational and General Budget</b>					
<b>Revenue/Sources</b>	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
Tuition	\$8,870,167	\$7,427,252	-16.3%	\$8,252,502	11.1%
Fees	2,035,526	1,637,194	-19.6%	1,669,937	2.0%
State Appropriation	13,098,158	12,965,990	-1.0%	12,831,563	-1.0%
Transition Funds	0	135,000	n/a	0	-100.0%
All Other Revenue	463,814	443,592	-4.4%	466,858	5.2%
Planned Use of Carryforward	n/a	0	n/a	0	n/a
<b>Total Revenue/Sources</b>	<b>\$24,467,665</b>	<b>\$22,609,028</b>	<b>-7.6%</b>	<b>\$23,220,860</b>	<b>2.7%</b>
<b>Expenditures and Transfers</b>					
Compensation Summary:					
Salaries and Wages	\$12,486,416	\$13,129,914	5.2%	\$13,129,914	0.0%
Benefits	5,449,306	5,857,987	7.5%	6,284,114	7.3%
Subtotal, Compensation	\$17,935,722	\$18,987,901	5.9%	\$19,414,028	2.2%
Student Financial Aid	363,688	1,120,839	208.2%	1,245,376	11.1%
Utilities	1,115,499	1,150,747	3.2%	1,185,502	3.0%
Other Services and Supplies	8,197,819	7,346,820	-10.4%	7,447,064	1.4%
Subtotal, All Services and Supplies	\$9,677,006	\$9,618,406	-0.6%	\$9,877,942	2.7%
Capital Expenditures and Transfers	1,276,452	1,223,152	-4.2%	1,305,352	6.7%
<b>Total Expenditures and Transfers</b>	<b>\$28,889,180</b>	<b>\$29,829,459</b>	<b>3.3%</b>	<b>\$30,597,322</b>	<b>2.6%</b>
<b>Revenue/Sources Less Expenditures/Transfers</b>	<b>(\$4,421,515)</b>	<b>(\$7,220,431)</b>		<b>(\$7,376,462)</b>	

<b>Annualized FTE Enrollment</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
In-State Undergraduate	906.00	609.00	-32.8%	677.00	11.2%
Out-of-State Undergraduate	250.00	259.00	3.6%	288.00	11.2%
In-State Graduate	20.00	31.00	55.0%	34.00	9.7%
Out-of-State Graduate	3.00	1.00	-66.7%	1.00	0.0%
<b>Total FTE Enrollment</b>	<b>1,179.00</b>	<b>900.00</b>	<b>-23.7%</b>	<b>1,000.00</b>	<b>11.1%</b>

<b>E&amp;G FTE Employees</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Change</b>	<b>FY 2015/16</b>	<b>Change</b>
Faculty	94.28	80.63	(13.65)	80.63	0.00
AFSCME	48.00	51.50	3.50	51.50	0.00
Nonrepresented	38.97	41.80	2.83	41.80	0.00
SCUPA	5.50	8.50	3.00	8.50	0.00
All Other	27.48	29.20	1.72	29.20	0.00
<b>Total Budgeted FTE Employees</b>	<b>214.23</b>	<b>211.63</b>	<b>(2.60)</b>	<b>211.63</b>	<b>0.00</b>

Board of Governors' Budget Request Summary  
Clarion University of Pennsylvania

<b>Educational and General Budget</b>					
<b>Revenue/Sources</b>	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
Tuition	\$39,338,665	\$37,636,170	-4.3%	\$37,636,170	0.0%
Fees	12,077,062	11,905,291	-1.4%	11,915,000	0.1%
State Appropriation	22,261,739	23,100,121	3.8%	23,926,508	3.6%
Transition Funds	0	0	n/a	0	n/a
All Other Revenue	4,561,474	2,581,533	-43.4%	2,562,000	-0.8%
Planned Use of Carryforward	n/a	8,246,863	n/a	5,000,000	-39.4%
<b>Total Revenue/Sources</b>	<b>\$78,238,940</b>	<b>\$83,469,978</b>	<b>6.7%</b>	<b>\$81,039,678</b>	<b>-2.9%</b>
<b>Expenditures and Transfers</b>					
Compensation Summary:					
Salaries and Wages	\$42,753,381	\$43,763,100	2.4%	\$42,374,949	-3.2%
Benefits	18,361,406	20,414,452	11.2%	21,769,393	6.6%
Subtotal, Compensation	\$61,114,787	\$64,177,552	5.0%	\$64,144,342	-0.1%
Student Financial Aid	1,257,059	1,097,995	-12.7%	1,097,995	0.0%
Utilities	1,660,355	1,688,006	1.7%	1,750,000	3.7%
Other Services and Supplies	15,059,302	14,404,819	-4.3%	14,733,603	2.3%
Subtotal, All Services and Supplies	\$17,976,716	\$17,190,820	-4.4%	\$17,581,598	2.3%
Capital Expenditures and Transfers	2,213,855	2,101,606	-5.1%	2,109,070	0.4%
<b>Total Expenditures and Transfers</b>	<b>\$81,305,358</b>	<b>\$83,469,978</b>	<b>2.7%</b>	<b>\$83,835,010</b>	<b>0.4%</b>
<b>Revenue/Sources Less Expenditures/Transfers</b>	<b>(\$3,066,418)</b>	<b>\$0</b>		<b>(\$2,795,332)</b>	

<b>Annualized FTE Enrollment</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
In-State Undergraduate	4,542.10	4,439.00	-2.3%	4,439.00	0.0%
Out-of-State Undergraduate	288.00	281.00	-2.4%	281.00	0.0%
In-State Graduate	345.20	229.00	-33.7%	229.00	0.0%
Out-of-State Graduate	231.10	153.00	-33.8%	153.00	0.0%
<b>Total FTE Enrollment</b>	<b>5,406.40</b>	<b>5,102.00</b>	<b>-5.6%</b>	<b>5,102.00</b>	<b>0.0%</b>

<b>E&amp;G FTE Employees</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Change</b>	<b>FY 2015/16</b>	<b>Change</b>
Faculty	277.36	269.98	(7.38)	269.01	(0.97)
AFSCME	184.22	184.68	0.46	185.36	0.69
Nonrepresented	75.72	80.73	5.00	79.60	(1.13)
SCUPA	20.59	25.80	5.21	25.80	0.00
All Other	40.52	37.37	(3.15)	37.40	0.03
<b>Total Budgeted FTE Employees</b>	<b>598.41</b>	<b>598.55</b>	<b>0.14</b>	<b>597.18</b>	<b>(1.37)</b>

Board of Governors' Budget Request Summary  
 East Stroudsburg University of Pennsylvania

<b>Educational and General Budget</b>					
<b>Revenue/Sources</b>	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
Tuition	\$59,970,468	\$61,132,641	1.9%	\$61,132,641	0.0%
Fees	10,641,301	11,583,563	8.9%	11,723,386	1.2%
State Appropriation	21,160,935	21,888,788	3.4%	22,607,662	3.3%
Transition Funds	0	0	n/a	0	n/a
All Other Revenue	5,660,542	3,453,476	-39.0%	3,451,379	-0.1%
Planned Use of Carryforward	n/a	0	n/a	0	n/a
<b>Total Revenue/Sources</b>	<b>\$97,433,246</b>	<b>\$98,058,468</b>	<b>0.6%</b>	<b>\$98,915,068</b>	<b>0.9%</b>
<b>Expenditures and Transfers</b>					
Compensation Summary:					
Salaries and Wages	\$47,178,627	\$48,366,270	2.5%	\$49,307,245	1.9%
Benefits	19,527,965	21,652,582	10.9%	23,838,076	10.1%
Subtotal, Compensation	\$66,706,592	\$70,018,852	5.0%	\$73,145,321	4.5%
Student Financial Aid	2,926,982	2,221,489	-24.1%	2,127,714	-4.2%
Utilities	1,577,577	1,634,874	3.6%	1,693,729	3.6%
Other Services and Supplies	15,433,557	15,176,751	-1.7%	15,140,069	-0.2%
Subtotal, All Services and Supplies	\$19,938,116	\$19,033,114	-4.5%	\$18,961,512	-0.4%
Capital Expenditures and Transfers	7,439,678	9,006,502	21.1%	8,893,396	-1.3%
<b>Total Expenditures and Transfers</b>	<b>\$94,084,386</b>	<b>\$98,058,468</b>	<b>4.2%</b>	<b>\$101,000,229</b>	<b>3.0%</b>
<b>Revenue/Sources Less Expenditures/Transfers</b>	<b>\$3,348,860</b>	<b>\$0</b>		<b>(\$2,085,161)</b>	

<b>Annualized FTE Enrollment</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
In-State Undergraduate	4,278.80	4,418.00	3.3%	4,418.00	0.0%
Out-of-State Undergraduate	1,457.50	1,415.00	-2.9%	1,415.00	0.0%
In-State Graduate	279.10	276.00	-1.1%	276.00	0.0%
Out-of-State Graduate	108.00	113.25	4.9%	113.25	0.0%
<b>Total FTE Enrollment</b>	<b>6,123.40</b>	<b>6,222.25</b>	<b>1.6%</b>	<b>6,222.25</b>	<b>0.0%</b>

<b>E&amp;G FTE Employees</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Change</b>	<b>FY 2015/16</b>	<b>Change</b>
Faculty	296.67	293.67	(3.00)	293.67	0.00
AFSCME	174.13	187.57	13.45	187.57	0.00
Nonrepresented	83.23	97.00	13.77	97.00	0.00
SCUPA	30.39	34.65	4.26	34.65	0.00
All Other	36.29	37.55	1.26	37.55	0.00
<b>Total Budgeted FTE Employees</b>	<b>620.71</b>	<b>650.44</b>	<b>29.74</b>	<b>650.44</b>	<b>0.00</b>

Board of Governors' Budget Request Summary  
Edinboro University of Pennsylvania

<b>Educational and General Budget</b>					
<b>Revenue/Sources</b>	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
Tuition	\$49,804,558	\$48,823,663	-2.0%	\$48,823,663	0.0%
Fees	11,097,114	12,026,047	8.4%	12,289,335	2.2%
State Appropriation	24,963,085	25,349,199	1.5%	25,729,319	1.5%
Transition Funds	0	0	n/a	0	n/a
All Other Revenue	3,842,189	3,440,141	-10.5%	2,886,286	-16.1%
Planned Use of Carryforward	n/a	4,501,611	n/a	3,500,000	-22.3%
<b>Total Revenue/Sources</b>	<b>\$89,706,946</b>	<b>\$94,140,661</b>	<b>4.9%</b>	<b>\$93,228,603</b>	<b>-1.0%</b>
<b>Expenditures and Transfers</b>					
Compensation Summary:					
Salaries and Wages	\$47,802,700	\$48,911,342	2.3%	\$48,308,283	-1.2%
Benefits	22,531,067	24,232,819	7.6%	26,676,142	10.1%
Subtotal, Compensation	\$70,333,767	\$73,144,161	4.0%	\$74,984,425	2.5%
Student Financial Aid	2,201,131	2,451,406	11.4%	2,451,406	0.0%
Utilities	2,438,787	2,781,414	14.0%	2,837,042	2.0%
Other Services and Supplies	13,362,074	13,564,224	1.5%	13,564,224	0.0%
Subtotal, All Services and Supplies	\$18,001,992	\$18,797,044	4.4%	\$18,852,672	0.3%
Capital Expenditures and Transfers	1,783,697	2,199,456	23.3%	1,645,601	-25.2%
<b>Total Expenditures and Transfers</b>	<b>\$90,119,456</b>	<b>\$94,140,661</b>	<b>4.5%</b>	<b>\$95,482,698</b>	<b>1.4%</b>
<b>Revenue/Sources Less Expenditures/Transfers</b>	<b>(\$412,510)</b>	<b>\$0</b>		<b>(\$2,254,095)</b>	

<b>Annualized FTE Enrollment</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
In-State Undergraduate	4,531.47	4,419.75	-2.5%	4,419.75	0.0%
Out-of-State Undergraduate	760.31	743.14	-2.3%	743.14	0.0%
In-State Graduate	649.17	736.14	13.4%	736.14	0.0%
Out-of-State Graduate	146.05	162.12	11.0%	162.12	0.0%
<b>Total FTE Enrollment</b>	<b>6,087.00</b>	<b>6,061.15</b>	<b>-0.4%</b>	<b>6,061.15</b>	<b>0.0%</b>

<b>E&amp;G FTE Employees</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Change</b>	<b>FY 2015/16</b>	<b>Change</b>
Faculty	350.41	339.16	(11.25)	340.04	0.88
AFSCME	173.25	177.75	4.50	177.71	(0.05)
Nonrepresented	72.36	76.85	4.49	76.50	(0.35)
SCUPA	25.58	25.07	(0.51)	25.00	(0.07)
All Other	37.37	37.94	0.57	38.40	0.46
<b>Total Budgeted FTE Employees</b>	<b>658.98</b>	<b>656.78</b>	<b>(2.20)</b>	<b>657.65</b>	<b>0.87</b>

Board of Governors' Budget Request Summary  
Indiana University of Pennsylvania

<b>Educational and General Budget</b>					
<b>Revenue/Sources</b>	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
Tuition	\$108,039,338	\$108,254,000	0.2%	\$107,651,321	-0.6%
Fees	33,396,340	35,257,000	5.6%	35,038,200	-0.6%
State Appropriation	52,382,984	51,426,970	-1.8%	50,449,890	-1.9%
Transition Funds	0	977,081	n/a	0	-100.0%
All Other Revenue	20,259,276	14,748,592	-27.2%	14,409,238	-2.3%
Planned Use of Carryforward	n/a	13,292,384	n/a	6,840,000	-48.5%
<b>Total Revenue/Sources</b>	<b>\$214,077,938</b>	<b>\$223,956,027</b>	<b>4.6%</b>	<b>\$214,388,649</b>	<b>-4.3%</b>
<b>Expenditures and Transfers</b>					
Compensation Summary:					
Salaries and Wages	\$104,734,025	\$109,049,169	4.1%	\$109,049,169	0.0%
Benefits	46,348,401	49,526,346	6.9%	53,111,749	7.2%
Subtotal, Compensation	\$151,082,426	\$158,575,515	5.0%	\$162,160,918	2.3%
Student Financial Aid	6,928,911	7,490,000	8.1%	7,490,000	0.0%
Utilities	5,952,885	6,601,000	10.9%	6,703,020	1.5%
Other Services and Supplies	31,076,152	36,238,099	16.6%	35,505,894	-2.0%
Subtotal, All Services and Supplies	\$43,957,948	\$50,329,099	14.5%	\$49,698,914	-1.3%
Capital Expenditures and Transfers	23,004,208	15,051,413	-34.6%	9,125,347	-39.4%
<b>Total Expenditures and Transfers</b>	<b>\$218,044,582</b>	<b>\$223,956,027</b>	<b>2.7%</b>	<b>\$220,985,179</b>	<b>-1.3%</b>
<b>Revenue/Sources Less Expenditures/Transfers</b>	<b>(\$3,966,644)</b>	<b>\$0</b>		<b>(\$6,596,530)</b>	

<b>Annualized FTE Enrollment</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
In-State Undergraduate	10,962.28	10,743.03	-2.0%	10,528.17	-2.0%
Out-of-State Undergraduate	1,292.08	1,214.55	-6.0%	1,202.40	-1.0%
In-State Graduate	1,016.06	995.74	-2.0%	1,025.61	3.0%
Out-of-State Graduate	526.69	510.89	-3.0%	521.11	2.0%
<b>Total FTE Enrollment</b>	<b>13,797.11</b>	<b>13,464.21</b>	<b>-2.4%</b>	<b>13,277.29</b>	<b>-1.4%</b>

<b>E&amp;G FTE Employees</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Change</b>	<b>FY 2015/16</b>	<b>Change</b>
Faculty	685.31	682.31	(3.00)	682.31	0.00
AFSCME	384.54	384.67	0.13	384.67	0.00
Nonrepresented	177.82	178.86	1.04	178.86	0.00
SCUPA	51.25	50.07	(1.18)	50.07	0.00
All Other	65.85	66.03	0.18	66.03	0.00
<b>Total Budgeted FTE Employees</b>	<b>1,364.77</b>	<b>1,361.95</b>	<b>(2.82)</b>	<b>1,361.95</b>	<b>0.00</b>



Board of Governors' Budget Request Summary  
Kutztown University of Pennsylvania

<b>Educational and General Budget</b>					
<b>Revenue/Sources</b>	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
Tuition	\$71,397,189	\$70,916,107	-0.7%	\$69,285,036	-2.3%
Fees	12,762,886	13,189,896	3.3%	12,923,632	-2.0%
State Appropriation	33,105,442	32,869,467	-0.7%	32,619,119	-0.8%
Transition Funds	0	260,000	n/a	0	-100.0%
All Other Revenue	4,276,937	4,255,716	-0.5%	4,289,299	0.8%
Planned Use of Carryforward	n/a	10,358,396	n/a	7,045,309	-32.0%
<b>Total Revenue/Sources</b>	<b>\$121,542,454</b>	<b>\$131,849,582</b>	<b>8.5%</b>	<b>\$126,162,395</b>	<b>-4.3%</b>
<b>Expenditures and Transfers</b>					
Compensation Summary:					
Salaries and Wages	\$60,564,155	\$64,382,157	6.3%	\$64,289,639	-0.1%
Benefits	27,100,864	30,805,194	13.7%	33,156,358	7.6%
Subtotal, Compensation	\$87,665,019	\$95,187,351	8.6%	\$97,445,997	2.4%
Student Financial Aid	2,269,102	3,368,512	48.5%	3,371,990	0.1%
Utilities	2,711,658	2,761,420	1.8%	2,802,274	1.5%
Other Services and Supplies	18,846,707	20,884,083	10.8%	20,915,217	0.1%
Subtotal, All Services and Supplies	\$23,827,467	\$27,014,015	13.4%	\$27,089,481	0.3%
Capital Expenditures and Transfers	13,481,405	9,648,216	-28.4%	7,476,941	-22.5%
<b>Total Expenditures and Transfers</b>	<b>\$124,973,891</b>	<b>\$131,849,582</b>	<b>5.5%</b>	<b>\$132,012,419</b>	<b>0.1%</b>
<b>Revenue/Sources Less Expenditures/Transfers</b>	<b>(\$3,431,437)</b>	<b>\$0</b>		<b>(\$5,850,024)</b>	

<b>Annualized FTE Enrollment</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
In-State Undergraduate	7,381.80	7,108.67	-3.7%	6,945.17	-2.3%
Out-of-State Undergraduate	998.90	961.94	-3.7%	939.81	-2.3%
In-State Graduate	442.46	426.09	-3.7%	416.29	-2.3%
Out-of-State Graduate	20.33	19.58	-3.7%	19.13	-2.3%
<b>Total FTE Enrollment</b>	<b>8,843.49</b>	<b>8,516.28</b>	<b>-3.7%</b>	<b>8,320.40</b>	<b>-2.3%</b>

<b>E&amp;G FTE Employees</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Change</b>	<b>FY 2015/16</b>	<b>Change</b>
Faculty	447.82	454.00	6.18	454.00	0.00
AFSCME	209.17	223.26	14.09	226.26	3.00
Nonrepresented	102.05	107.18	5.13	111.31	4.13
SCUPA	38.46	38.66	0.20	38.66	0.00
All Other	43.79	42.62	(1.17)	42.62	0.00
<b>Total Budgeted FTE Employees</b>	<b>841.28</b>	<b>865.71</b>	<b>24.42</b>	<b>872.85</b>	<b>7.14</b>

Board of Governors' Budget Request Summary  
 Lock Haven University of Pennsylvania

<b>Educational and General Budget</b>					
<b>Revenue/Sources</b>	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
Tuition	\$39,407,176	\$37,744,726	-4.2%	\$35,574,006	-5.8%
Fees	7,591,546	8,086,139	6.5%	7,927,062	-2.0%
State Appropriation	19,963,187	20,754,826	4.0%	21,537,864	3.8%
Transition Funds	0	0	n/a	0	n/a
All Other Revenue	1,720,812	1,468,970	-14.6%	1,468,971	0.0%
Planned Use of Carryforward	n/a	144,949	n/a	0	-100.0%
<b>Total Revenue/Sources</b>	<b>\$68,682,721</b>	<b>\$68,199,610</b>	<b>-0.7%</b>	<b>\$66,507,903</b>	<b>-2.5%</b>
<b>Expenditures and Transfers</b>					
Compensation Summary:					
Salaries and Wages	\$35,451,045	\$35,810,936	1.0%	\$35,952,979	0.4%
Benefits	15,469,954	17,374,875	12.3%	19,007,087	9.4%
Subtotal, Compensation	\$50,920,999	\$53,185,811	4.4%	\$54,960,066	3.3%
Student Financial Aid	1,282,505	1,225,000	-4.5%	1,225,000	0.0%
Utilities	1,522,907	1,424,455	-6.5%	1,452,944	2.0%
Other Services and Supplies	7,771,832	8,597,669	10.6%	8,955,017	4.2%
Subtotal, All Services and Supplies	\$10,577,244	\$11,247,124	6.3%	\$11,632,961	3.4%
Capital Expenditures and Transfers	7,039,529	3,766,675	-46.5%	4,125,697	9.5%
<b>Total Expenditures and Transfers</b>	<b>\$68,537,772</b>	<b>\$68,199,610</b>	<b>-0.5%</b>	<b>\$70,718,724</b>	<b>3.7%</b>
<b>Revenue/Sources Less Expenditures/Transfers</b>	<b>\$144,949</b>	<b>\$0</b>		<b>(\$4,210,821)</b>	

<b>Annualized FTE Enrollment</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
In-State Undergraduate	4,370.48	4,051.30	-7.3%	3,781.64	-6.7%
Out-of-State Undergraduate	306.29	273.69	-10.6%	255.48	-6.7%
In-State Graduate	354.33	347.48	-1.9%	347.48	0.0%
Out-of-State Graduate	85.48	83.51	-2.3%	83.51	0.0%
<b>Total FTE Enrollment</b>	<b>5,116.58</b>	<b>4,755.98</b>	<b>-7.0%</b>	<b>4,468.11</b>	<b>-6.1%</b>

<b>E&amp;G FTE Employees</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Change</b>	<b>FY 2015/16</b>	<b>Change</b>
Faculty	252.36	243.70	(8.66)	243.70	0.00
AFSCME	157.30	155.74	(1.56)	155.74	0.00
Nonrepresented	46.27	49.12	2.85	49.12	0.00
SCUPA	15.50	14.00	(1.50)	14.00	0.00
All Other	39.00	38.68	(0.32)	39.18	0.50
<b>Total Budgeted FTE Employees</b>	<b>510.43</b>	<b>501.24</b>	<b>(9.19)</b>	<b>501.74</b>	<b>0.50</b>

Board of Governors' Budget Request Summary  
Mansfield University of Pennsylvania

<b>Educational and General Budget</b>					
<b>Revenue/Sources</b>	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
Tuition	\$21,694,808	\$20,315,000	-6.4%	\$18,370,911	-9.6%
Fees	4,016,535	3,853,500	-4.1%	3,754,000	-2.6%
State Appropriation	16,702,905	16,411,114	-1.7%	16,115,972	-1.8%
Transition Funds	0	300,371	n/a	0	-100.0%
All Other Revenue	2,106,176	1,602,000	-23.9%	2,307,285	44.0%
Planned Use of Carryforward	n/a	3,567,890	n/a	2,000,000	-43.9%
<b>Total Revenue/Sources</b>	<b>\$44,520,424</b>	<b>\$46,049,875</b>	<b>3.4%</b>	<b>\$42,548,168</b>	<b>-7.6%</b>
<b>Expenditures and Transfers</b>					
Compensation Summary:					
Salaries and Wages	\$25,948,765	\$24,590,059	-5.2%	\$23,585,297	-4.1%
Benefits	11,338,864	11,894,845	4.9%	12,414,785	4.4%
Subtotal, Compensation	\$37,287,629	\$36,484,904	-2.2%	\$36,000,082	-1.3%
Student Financial Aid	1,366,177	1,180,000	-13.6%	1,180,000	0.0%
Utilities	939,481	975,000	3.8%	1,010,000	3.6%
Other Services and Supplies	5,477,904	5,659,730	3.3%	5,659,730	0.0%
Subtotal, All Services and Supplies	\$7,783,562	\$7,814,730	0.4%	\$7,849,730	0.4%
Capital Expenditures and Transfers	(544,823)	1,750,241	n/a	1,780,105	1.7%
<b>Total Expenditures and Transfers</b>	<b>\$44,526,368</b>	<b>\$46,049,875</b>	<b>3.4%</b>	<b>\$45,629,917</b>	<b>-0.9%</b>
<b>Revenue/Sources Less Expenditures/Transfers</b>	<b>(\$5,944)</b>	<b>\$0</b>		<b>(\$3,081,749)</b>	

<b>Annualized FTE Enrollment</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
In-State Undergraduate	2,072.23	2,018.97	-2.6%	1,876.73	-7.0%
Out-of-State Undergraduate	539.57	441.88	-18.1%	393.95	-10.8%
In-State Graduate	74.25	55.69	-25.0%	39.94	-28.3%
Out-of-State Graduate	44.55	22.99	-48.4%	12.33	-46.4%
<b>Total FTE Enrollment</b>	<b>2,730.60</b>	<b>2,539.54</b>	<b>-7.0%</b>	<b>2,322.95</b>	<b>-8.5%</b>

<b>E&amp;G FTE Employees</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Change</b>	<b>FY 2015/16</b>	<b>Change</b>
Faculty	171.76	151.65	(20.11)	151.65	0.00
AFSCME	115.89	111.83	(4.06)	111.83	0.00
Nonrepresented	53.64	54.85	1.21	54.85	0.00
SCUPA	14.23	13.09	(1.14)	14.09	1.00
All Other	26.61	26.50	(0.11)	26.50	0.00
<b>Total Budgeted FTE Employees</b>	<b>382.13</b>	<b>357.92</b>	<b>(24.21)</b>	<b>358.92</b>	<b>1.00</b>

Board of Governors' Budget Request Summary  
 Millersville University of Pennsylvania

<b>Educational and General Budget</b>					
<b>Revenue/Sources</b>	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
Tuition	\$58,352,227	\$64,534,293	10.6%	\$66,271,815	2.7%
Fees	13,331,721	14,350,111	7.6%	14,363,169	0.1%
State Appropriation	30,872,019	30,908,506	0.1%	30,923,309	0.0%
Transition Funds	0	0	n/a	0	n/a
All Other Revenue	5,375,843	4,856,542	-9.7%	4,856,542	0.0%
Planned Use of Carryforward	n/a	2,760,726	n/a	781,697	-71.7%
<b>Total Revenue/Sources</b>	<b>\$107,931,810</b>	<b>\$117,410,178</b>	<b>8.8%</b>	<b>\$117,196,532</b>	<b>-0.2%</b>
<b>Expenditures and Transfers</b>					
Compensation Summary:					
Salaries and Wages	\$57,268,043	\$60,448,598	5.6%	\$60,704,360	0.4%
Benefits	24,638,244	27,695,656	12.4%	30,507,183	10.2%
Subtotal, Compensation	\$81,906,287	\$88,144,254	7.6%	\$91,211,543	3.5%
Student Financial Aid	1,729,060	2,794,536	61.6%	2,761,536	-1.2%
Utilities	2,691,448	2,498,218	-7.2%	2,513,884	0.6%
Other Services and Supplies	16,877,252	16,715,621	-1.0%	16,692,336	-0.1%
Subtotal, All Services and Supplies	\$21,297,760	\$22,008,375	3.3%	\$21,967,756	-0.2%
Capital Expenditures and Transfers	6,308,107	7,257,549	15.1%	7,438,477	2.5%
<b>Total Expenditures and Transfers</b>	<b>\$109,512,154</b>	<b>\$117,410,178</b>	<b>7.2%</b>	<b>\$120,617,776</b>	<b>2.7%</b>
<b>Revenue/Sources Less Expenditures/Transfers</b>	<b>(\$1,580,344)</b>	<b>\$0</b>		<b>(\$3,421,244)</b>	

<b>Annualized FTE Enrollment</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
In-State Undergraduate	6,532.60	6,549.67	0.3%	6,549.30	0.0%
Out-of-State Undergraduate	346.37	345.30	-0.3%	346.50	0.3%
In-State Graduate	597.17	598.73	0.3%	598.70	0.0%
Out-of-State Graduate	39.38	34.50	-12.4%	35.60	3.2%
<b>Total FTE Enrollment</b>	<b>7,515.52</b>	<b>7,528.20</b>	<b>0.2%</b>	<b>7,530.10</b>	<b>0.0%</b>

<b>E&amp;G FTE Employees</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Change</b>	<b>FY 2015/16</b>	<b>Change</b>
Faculty	361.93	372.98	11.06	372.98	0.00
AFSCME	266.78	254.53	(12.25)	254.53	0.00
Nonrepresented	101.13	104.05	2.92	107.50	3.45
SCUPA	29.23	26.61	(2.62)	26.68	0.07
All Other	47.93	43.78	(4.15)	43.78	(0.00)
<b>Total Budgeted FTE Employees</b>	<b>806.99</b>	<b>801.95</b>	<b>(5.04)</b>	<b>805.48</b>	<b>3.52</b>

Board of Governors' Budget Request Summary  
Shippensburg University of Pennsylvania

<b>Educational and General Budget</b>					
<b>Revenue/Sources</b>	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
Tuition	\$53,196,174	\$53,947,506	1.4%	\$53,980,627	0.1%
Fees	11,484,193	11,921,744	3.8%	12,051,978	1.1%
State Appropriation	28,164,791	28,493,071	1.2%	28,799,849	1.1%
Transition Funds	0	0	n/a	0	n/a
All Other Revenue	4,519,675	4,545,420	0.6%	4,566,028	0.5%
Planned Use of Carryforward	n/a	2,887,500	n/a	2,887,500	0.0%
<b>Total Revenue/Sources</b>	<b>\$97,364,833</b>	<b>\$101,795,241</b>	<b>4.6%</b>	<b>\$102,285,982</b>	<b>0.5%</b>
<b>Expenditures and Transfers</b>					
Compensation Summary:					
Salaries and Wages	\$56,378,968	\$56,394,037	0.0%	\$57,111,623	1.3%
Benefits	25,074,011	26,092,704	4.1%	28,219,968	8.2%
Subtotal, Compensation	\$81,452,979	\$82,486,741	1.3%	\$85,331,591	3.4%
Student Financial Aid	1,465,654	1,494,967	2.0%	1,494,967	0.0%
Utilities	1,655,013	1,453,821	-12.2%	1,481,444	1.9%
Other Services and Supplies	13,352,396	13,044,213	-2.3%	13,294,658	1.9%
Subtotal, All Services and Supplies	\$16,473,063	\$15,993,001	-2.9%	\$16,271,069	1.7%
Capital Expenditures and Transfers	3,207,244	3,315,499	3.4%	3,315,499	0.0%
<b>Total Expenditures and Transfers</b>	<b>\$101,133,286</b>	<b>\$101,795,241</b>	<b>0.7%</b>	<b>\$104,918,159</b>	<b>3.1%</b>
<b>Revenue/Sources Less Expenditures/Transfers</b>	<b>(\$3,768,453)</b>	<b>\$0</b>		<b>(\$2,632,177)</b>	

<b>Annualized FTE Enrollment</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
In-State Undergraduate	5,776.73	5,656.70	-2.1%	5,656.70	0.0%
Out-of-State Undergraduate	466.94	484.53	3.8%	484.53	0.0%
In-State Graduate	551.71	568.39	3.0%	568.39	0.0%
Out-of-State Graduate	73.29	83.78	14.3%	83.78	0.0%
<b>Total FTE Enrollment</b>	<b>6,868.67</b>	<b>6,793.40</b>	<b>-1.1%</b>	<b>6,793.40</b>	<b>0.0%</b>

<b>E&amp;G FTE Employees</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Change</b>	<b>FY 2015/16</b>	<b>Change</b>
Faculty	367.40	354.40	(13.00)	354.40	0.00
AFSCME	226.00	221.00	(5.00)	221.00	0.00
Nonrepresented	98.50	97.50	(1.00)	97.50	0.00
SCUPA	29.54	31.54	2.00	31.54	0.00
All Other	35.70	35.70	0.00	35.70	0.00
<b>Total Budgeted FTE Employees</b>	<b>757.14</b>	<b>740.14</b>	<b>(17.00)</b>	<b>740.14</b>	<b>0.00</b>

Board of Governors' Budget Request Summary  
Slippery Rock University of Pennsylvania

<b>Educational and General Budget</b>					
<b>Revenue/Sources</b>	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
Tuition	\$64,359,417	\$66,489,880	3.3%	\$67,081,236	0.9%
Fees	13,819,678	14,803,144	7.1%	14,832,104	0.2%
State Appropriation	32,576,803	32,606,815	0.1%	32,609,152	0.0%
Transition Funds	0	0	n/a	0	n/a
All Other Revenue	4,234,943	4,240,035	0.1%	4,240,035	0.0%
Planned Use of Carryforward	n/a	0	n/a	0	n/a
<b>Total Revenue/Sources</b>	<b>\$114,990,841</b>	<b>\$118,139,873</b>	<b>2.7%</b>	<b>\$118,762,527</b>	<b>0.5%</b>
<b>Expenditures and Transfers</b>					
Compensation Summary:					
Salaries and Wages	\$61,766,481	\$63,075,355	2.1%	\$62,747,698	-0.5%
Benefits	28,125,021	30,070,243	6.9%	32,208,403	7.1%
Subtotal, Compensation	\$89,891,502	\$93,145,598	3.6%	\$94,956,101	1.9%
Student Financial Aid	2,893,601	2,900,000	0.2%	3,458,000	19.2%
Utilities	2,707,252	2,761,397	2.0%	2,816,625	2.0%
Other Services and Supplies	15,200,909	15,571,453	2.4%	15,866,882	1.9%
Subtotal, All Services and Supplies	\$20,801,762	\$21,232,850	2.1%	\$22,141,507	4.3%
Capital Expenditures and Transfers	4,035,443	3,761,425	-6.8%	3,796,743	0.9%
<b>Total Expenditures and Transfers</b>	<b>\$114,728,707</b>	<b>\$118,139,873</b>	<b>3.0%</b>	<b>\$120,894,351</b>	<b>7.2%</b>
<b>Revenue/Sources Less Expenditures/Transfers</b>	<b>\$262,135</b>	<b>\$0</b>		<b>(\$2,131,824)</b>	

<b>Annualized FTE Enrollment</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
In-State Undergraduate	6,850.77	6,810.00	-0.6%	6,812.00	0.0%
Out-of-State Undergraduate	893.60	892.23	-0.2%	902.02	1.1%
In-State Graduate	681.83	756.49	10.9%	744.15	-1.6%
Out-of-State Graduate	122.63	125.29	2.2%	122.83	-2.0%
<b>Total FTE Enrollment</b>	<b>8,548.83</b>	<b>8,584.01</b>	<b>0.4%</b>	<b>8,581.00</b>	<b>0.0%</b>

<b>E&amp;G FTE Employees</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Change</b>	<b>FY 2015/16</b>	<b>Change</b>
Faculty	395.13	400.00	4.87	400.00	0.00
AFSCME	266.26	267.06	0.80	267.06	0.00
Nonrepresented	92.59	89.50	(3.09)	89.50	0.00
SCUPA	32.45	31.91	(0.54)	31.91	0.00
All Other	51.78	52.46	0.68	52.46	0.00
<b>Total Budgeted FTE Employees</b>	<b>838.21</b>	<b>840.93</b>	<b>2.72</b>	<b>840.93</b>	<b>0.00</b>

Board of Governors' Budget Request Summary  
West Chester University of Pennsylvania

<b>Educational and General Budget</b>					
<b>Revenue/Sources</b>	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
Tuition	\$125,479,551	\$130,184,333	3.7%	\$132,806,962	2.0%
Fees	24,232,832	25,579,839	5.6%	25,745,287	0.6%
State Appropriation	49,914,169	48,803,184	-2.2%	47,651,116	-2.4%
Transition Funds	0	1,166,613	n/a	0	-100.0%
All Other Revenue	8,563,501	9,060,811	5.8%	8,819,183	-2.7%
Planned Use of Carryforward	n/a	2,523,496	n/a	0	-100.0%
<b>Total Revenue/Sources</b>	<b>\$208,190,053</b>	<b>\$217,318,276</b>	<b>4.4%</b>	<b>\$215,022,548</b>	<b>-1.1%</b>
<b>Expenditures and Transfers</b>					
Compensation Summary:					
Salaries and Wages	\$104,944,843	\$113,258,360	7.9%	\$112,781,664	-0.4%
Benefits	43,922,361	48,718,367	10.9%	51,787,639	6.3%
Subtotal, Compensation	\$148,867,204	\$161,976,727	8.8%	\$164,569,303	1.6%
Student Financial Aid	2,619,001	3,484,840	33.1%	3,484,840	0.0%
Utilities	3,376,668	3,598,401	6.6%	3,651,847	1.5%
Other Services and Supplies	25,141,199	32,582,739	29.6%	31,485,739	-3.4%
Subtotal, All Services and Supplies	\$31,136,868	\$39,665,980	27.4%	\$38,622,426	-2.6%
Capital Expenditures and Transfers	26,095,513	15,675,569	-39.9%	15,675,569	0.0%
<b>Total Expenditures and Transfers</b>	<b>\$206,099,585</b>	<b>\$217,318,276</b>	<b>5.4%</b>	<b>\$218,867,298</b>	<b>0.7%</b>
<b>Revenue/Sources Less Expenditures/Transfers</b>	<b>\$2,090,468</b>	<b>\$0</b>		<b>(\$3,844,750)</b>	

<b>Annualized FTE Enrollment</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
In-State Undergraduate	11,544.67	11,534.84	-0.1%	11,652.31	1.0%
Out-of-State Undergraduate	1,777.98	1,863.51	4.8%	1,954.47	4.9%
In-State Graduate	1,274.54	1,273.58	-0.1%	1,277.63	0.3%
Out-of-State Graduate	195.69	206.37	5.5%	216.31	4.8%
<b>Total FTE Enrollment</b>	<b>14,792.88</b>	<b>14,878.30</b>	<b>0.6%</b>	<b>15,100.72</b>	<b>1.5%</b>

<b>E&amp;G FTE Employees</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Change</b>	<b>FY 2015/16</b>	<b>Change</b>
Faculty	791.62	804.12	12.50	805.12	1.00
AFSCME	347.30	354.20	6.90	354.20	0.00
Nonrepresented	173.97	180.27	6.30	180.27	0.00
SCUPA	58.36	63.36	5.00	63.36	0.00
All Other	55.97	58.47	2.50	58.47	0.00
<b>Total Budgeted FTE Employees</b>	<b>1,427.22</b>	<b>1,460.42</b>	<b>33.20</b>	<b>1,461.42</b>	<b>1.00</b>

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

<b>Educational and General Budget</b>					
<b>Revenue/Sources</b>	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Percent Change</b>
Tuition	\$0	\$0	n/a	\$0	n/a
Fees	0	0	n/a	0	n/a
State Appropriation	2,058,614	2,059,596	0.0%	2,059,596	0.0%
Transition Funds	0	(1,600,000)	n/a	0	n/a
All Other Revenue	6,041,983	6,163,860	2.0%	6,128,470	-0.6%
Use of Carryforward	n/a	3,286,009	n/a	1,319,248	-59.9%
<b>Total Revenue/Sources</b>	<b>\$8,100,597</b>	<b>\$9,909,465</b>	<b>22.3%</b>	<b>\$9,507,314</b>	<b>-4.1%</b>
<b>Expenditures and Transfers</b>					
Compensation Summary:					
Salaries and Wages	\$4,193,738	\$4,303,311	2.6%	\$4,291,357	-0.3%
Benefits	1,408,642	1,701,117	20.8%	1,874,095	10.2%
Subtotal, Compensation	\$5,602,380	\$6,004,428	7.2%	\$6,165,452	2.7%
Utilities	5,062	5,680	12.2%	5,794	2.0%
Services and Supplies	2,283,178	2,800,926	22.7%	2,752,395	-1.7%
Capital Expenditures and Transfers	272,354	1,098,431	303.3%	826,681	-24.7%
<b>Total Expenditures and Transfers</b>	<b>\$8,162,974</b>	<b>\$9,909,465</b>	<b>21.4%</b>	<b>\$9,750,322</b>	<b>-1.6%</b>
<b>Revenue/Sources Less Expenditures/Transfers</b>	<b>(\$62,377)</b>	<b>\$0</b>		<b>(\$243,008)</b>	

<b>E&amp;G FTE Employees</b>					
	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Change</b>	<b>FY 2015/16</b>	<b>Change</b>
Faculty	0.00	0.00	0.00	0.00	0.00
AFSCME	4.15	4.64	0.49	4.64	0.00
Nonrepresented	34.20	36.79	2.59	37.01	0.22
SCUPA	0.96	1.00	0.04	1.00	0.00
All Other	0.00	0.00	0.00	0.00	0.00
<b>Total Budgeted FTE Employees</b>	<b>39.31</b>	<b>42.43</b>	<b>3.12</b>	<b>42.65</b>	<b>0.22</b>



## Board of Governors' Budget Request Summary

### Other Programs Administered by the Office of the Chancellor in FY 2013/14 and 2014/15

<b>Programs Funded from the Educational and General Appropriation</b>	<b>FY 2013/14 Appropriation</b>	<b>FY 2014/15 Appropriation</b>
System Reserve	\$204,000	\$180,400
Dixon University Center Academic Programs (5.36 FTE Employees)	\$1,148,000	\$1,148,000
Office of Internal Audit and Risk Assessment (7.00 Employees)	\$1,028,300	\$831,836
Faculty Professional Development*	\$300,000	\$300,000
Tenure-Track Professional Development*	\$50,000	\$50,000
Faculty Professional Development for Innovative Teaching*	\$50,000	\$50,000

#### **Restricted Funds** 0.87 FTE Employees

*The largest grant administered by the Office of the Chancellor is GEAR UP. The mission of GEAR UP is to significantly increase the number of low-income students who are prepared to enter and succeed in postsecondary education. The program has provided services for a cohort of 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, which ended in September 2014. The program received \$3 million per year. The State System received a new seven-year GEAR UP grant (GEAR UP-3) for \$22 million, which began on September 25, 2014. (The new program will provide services to high schools in the Harrisburg and Allentown School Districts, but only two high schools in the School District of Philadelphia.)*

#### **Shared Services** 84.54 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, Shared Administrative System, Executive Information System, and Strategic Information Management System. The costs associated with these services are reflected within the university budgets. PASSHE Center City (4.20 FTE) is also included.*

#### **Overhead/Indirect Costs** 16.51 FTE Employees

*In addition, the Office of the Chancellor manages 16.26 FTE employees for site management and administrative services that support all programs administered by the Office of the Chancellor. In addition, .25 FTE employee is funded for grant accounting services from unrestricted (indirect) revenues received from restricted grants.*

#### **Other—Treasury, Procurement, Pepsi Sponsorships, Program Initiatives, Etc.** 4.89 FTE Employees

*In addition, the Office of the Chancellor manages 4.89 FTE employees for Treasury and Procurement, and manages funds received from Pepsi sponsorships and Program Initiatives line item funding received from the Commonwealth.*

*\*Professional development funds are provided via collective bargaining agreement.*

**Finance, Administration, and Facilities Committee Meeting**

October 8–9, 2014

**SUBJECT:** Fiscal Year 2015/16 Appropriations Request (ACTION)

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**UNIVERSITIES AFFECTED:** All

**BACKGROUND:** Educational and General (E&G) budget projections for fiscal year 2015/16 have been developed to support the ongoing operations of State System universities based upon the most accurate information available. Limited Commonwealth resources, continued increases in System obligations to state retirement programs and health care, and pending collective bargaining agreement negotiations all indicate that the System will face another challenging budget for fiscal year 2015/16. The System's operating budget requirements provided in the attached *2015/16 Educational and General Appropriation Request* are summarized below.

Compensation requirements for 87 percent of System employees are established in eight collective bargaining agreements, all of which are either currently under negotiation and/or will be by the end of this fiscal year. At this time, future compensation requirements are unknown for these employees; therefore, as has been the case with respect to prior appropriations requests, **2015/16 budget projections exclude changes in pay for all System employees.** (This is not to be viewed as a bargaining position.) The System's primary cost drivers for 2015/16 are retirement and health care costs. Combined, benefits expenditures are anticipated to increase \$29.9 million, or 7.9 percent, primarily due to mandatory increases in the state pension rates totaling \$13.6 million and health care costs totaling \$16.5 million.

Enrollment projections for 2015/16 reflect an overall decline of 862 full-time equivalent students (0.8 percent); estimates vary by university, but in aggregate such a decline would reduce tuition and fee revenue by \$3.2 million. In addition, universities will experience reductions in one-time revenue/sources, and related expenditures are eliminated as well. The combined net increase in mandatory recurring expenditures and revenue reductions totals \$49.9 million.

In addition to developing an E&G appropriation request, it is proposed that the Board consider a request to transfer the Cheyney Keystone Academy line item from the Pennsylvania Higher Education Assistance Agency (PHEAA) to the State System. Recommendations concerning the System's appropriations request will be developed by the Finance, Administration, and Facilities Committee.

**MOTION:** That the Board of Governors approve a fiscal year 2015/16 appropriations request as recommended by the Finance, Administration, and Facilities Committee.

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**Supporting Documents Included:** 2015/16 Educational and General Appropriation Request (Attachment 1); 2015/16 Line Item Appropriation Request for Cheyney Keystone Academy (Attachment 2)

**Other Supporting Documents Available:** Board of Governors' Agenda Item #1

**Reviewed by:** Council of Presidents, September 24, 2014

**Prepared by:** James S. Dillon

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

**Pennsylvania's State System of Higher Education**  
**2015/16 Educational and General Appropriation Request**  
*October 8, 2014*

**2015/16 Budget Overview**

Although these continue to be difficult economic times for the Commonwealth, funds dedicated to education are an investment in Pennsylvania's future, and the return on that investment is enormous. All of the System universities have become more efficient, and the System has streamlined its own processes, but additional targeted support from the Commonwealth is critical to the continued success of Pennsylvania's public universities and the students they serve. Investing in public universities will lead to greater affordability and cost predictability for more than 110,000 State System students and their families.

The System's 2015/16 proposed Educational and General (E&G) budget recognizes the significant economic challenges that continue to impede Pennsylvania's economy and revenue outlook. For the fourth consecutive year, the final Commonwealth fiscal year 2014/15 budget included level funding for the System's appropriations, which in real terms has significantly reduced the buying power of the funds the System and its universities have received. It is anticipated that the state's mandatory expenditure requirements will continue to exceed state revenue growth in 2015/16 and beyond; the same is anticipated for the State System. As the Commonwealth continues to implement budget-cutting strategies, System universities are doing so as well.

Act 188 of 1982 requires the System's budget request be developed based upon university needs. The System's budget is developed based upon university budgets submitted in adherence to specific guidelines, as described in the Finance, Administration, and Facilities Committee Agenda Item #1. The System and its universities continue to operate with limited growth in operating costs through strategic redirection of resources; embracing efficiency initiatives; and aggressively managing physical, financial, and human resources. The 2015/16 operating budget continues to emphasize the prudent and creative use of available resources and provides for limited increases in basic operating costs.

While state appropriations are a diminishing portion of the System's revenue, now supporting only 26 percent of the Systems E&G budget, most System universities are also experiencing enrollment declines with a corresponding adverse effect on tuition and fee revenues. At the same time, mandatory expenditure requirements continue to increase. The System's fiscal emphasis continues to be on addressing the structural gap between revenues and expenses through strategic business model changes to ensure financial sustainability and relevancy of academic programs.

The following adjustments are reflected in the 2015/16 E&G budget, as presented in Table 1.

**Enrollment**

Preliminary fall 2014 enrollment statistics indicate a continuing enrollment decline at all but four System universities, resulting in an overall reduction of approximately 1,900 full-time equivalent (FTE) students, or 1.8 percent. The general economic environment and declining numbers of high school graduates are contributing factors. Ten universities anticipate no growth or continued reductions in enrollment for fiscal year 2015/16, resulting in System-wide budget estimates based on an overall enrollment decrease of 862 FTE students, or 0.8 percent. However, enrollment projections vary significantly by university, with widely varying impacts.

## **Employee Complement**

The System has worked diligently in recent years to manage its human resources, filling only essential positions as they become vacant. With annual workforce cost increases outpacing anticipated revenue increases, the System continues to work to ensure the proper alignment of human and fiscal resources with the strategic directions and operational responsibilities of the System through workforce planning. Through a combination of retirements, voluntary separations, and furloughs, the System has approximately 800 fewer permanent employees today than five years ago (fall 2009).

Given the combined impact of the fiscal climate, enrollment reductions, and the ongoing need to address program relevancy, several universities are in the midst of program realignment and workforce planning efforts that may result in eliminating faculty and/or nonfaculty positions over and above the complement changes reflected in this document. Such complement adjustments typically are excluded from appropriation request estimates, as universities are at various stages in the planning process. In some cases, compensation estimates have been reduced to reflect this commitment to workforce reduction; in other cases, universities continue to reflect Planned Use of Carryforward as a place holder until university plans have been finalized.

## **Anticipated Revenue**

***Tuition and Fees***—Assuming no change in the System’s tuition rates, university revenue estimates reflect a \$3.2 million reduction in tuition and fee revenue attributed to projected declines in enrollment at six universities. Changes in tuition revenue also reflect changes in the mix of students (e.g., full-time versus part-time, residency, and student level) and implementation of pricing flexibility pilots at nine universities.

***State Appropriation***—The state appropriation included in Table 1 reflects continued funding of the E&G appropriation at its current level of \$412.8 million. 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.

***Transition Funds***—Almost \$3 million in one-time transition funds were provided in 2014/15 to six universities to minimize the negative impact of the first year’s phased implementation of the new allocation formula. The transition funds were provided from the Office of the Chancellor and System-wide unrestricted net assets and will not be available in 2015/16.

***All Other Revenue***—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.

***Planned Use of Carryforward***—Typical initiatives funded with Carryforward include new academic programs, major equipment purchases and upgrades, facilities improvements, and transitions through demographic changes. Most universities reflect a Planned Use of Carryforward in 2014/15 to partially fund ongoing expenses as a transitional tool, while implementing multiyear realignments of programs and work force. The reduced reliance on Carryforward in 2015/16 supports a corresponding reduction in expenditures through sustainable restructuring and completion of one-time capital projects and academic initiatives.

## **Anticipated Expenditures**

**Salaries**—Compensation requirements for approximately 87 percent of System employees are established in collective bargaining agreements that expire on or before June 30, 2015. Therefore, 2015/16 wage requirements are unknown at

this time. In keeping with past practice, no pay adjustments beyond June 30, 2015, have been addressed in these budget estimates. In addition, no pay adjustments have been addressed in 2014/15 for employees represented by the International Union, Security, Police, and Fire Professionals of America. (This is not to be viewed as a bargaining position.) In some cases, 2015/16 salaries reflect a reduction as employees at the top of their pay scales received a one-time cash payment in 2014/15. These changes, coupled with projected savings from changes in complement and reductions in student wages, will generate an estimated decrease in employee salaries and wages of \$3.0 million, or 0.4 percent.

**Employee Benefits**—The System's primary cost drivers for 2015/16 are retirement and health care costs. Overall, employee benefits expenditures are expected to increase \$29.9 million, or 8 percent, primarily due to mandatory increases in the state pension rates ranging from 21 to 25 percent, totaling \$13.6 million; and health care rates, ranging from 7 to 16 percent, totaling \$16.4 million.

The two primary Commonwealth pension 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 as employers are required to make larger contributions to bolster the funds' solvency. Approximately half of the System'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 19.9 percent of salaries to 24.9 percent of salaries, or an increase of 25 percent. PSERS rates are expected to increase 21 percent. Retirement rates associated with the alternative retirement programs remain the same. Combined retirement costs—various rate increases applied to a relatively stable salary and wage base—are expected to increase in 2015/16 by \$13.8 million, or 14 percent.

Of those employees who receive health benefits, approximately 62 percent are enrolled in the System's health care program. The employer share of health care costs for active and annuitant employees within the System-managed programs is expected to increase an average of 7 percent next year based upon a combination of national trends, the System's health care experience, participation in the wellness program, and the anticipated change in complement. These estimates also include additional costs required by federal health care reform. The remaining 38 percent of System employees receive health care through the Pennsylvania Employees Benefit Trust Fund (PEBTF). The Commonwealth budget guidelines include 2015/16 employer rate increases of 7 percent for PEBTF and 16 percent for retiree health care. Combined health care costs are anticipated to increase \$16.4 million, or 9 percent.

**Student Financial Aid**—In April 2014, the Board of Governors amended Policy 1996-01-A: *Sources of Funding for University Scholarships*, to allow councils of trustees to establish institutional scholarship programs with limited E&G revenue.

Given the growing emphasis on affordability, retention, enrollment management, and the net price to the student, E&G expenditures for student financial aid are reflected as a separate category in this year's budget summary. Significant growth in the use of institutional unrestricted resources for student aid is reflected in 2014/15, corresponding with the recent flexibility provided by Board policy and expectations regarding affordability of pricing flexibility pilots. E&G student aid expenditures in 2015/16 are expected to grow \$0.5 million (1 percent) to more than \$39 million, representing a 16 percent increase over two years in university-funded assistance going directly to students and their families.

**Utilities**—The System's 2015/16 utilities costs are anticipated to increase \$0.7 million, or 2 percent, 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 and some universities converting from coal to more efficient fuel sources. University utilities cost increases vary significantly, depending on the mix of utilities, changes in space, and status of energy conservation efforts.

**All Other Basic Operating Expenditures**—Given the current fiscal environment, universities continue to limit all nonmandatory spending. Therefore, anticipated expenditures for all other services, supplies, and materials are projected to decrease \$4.8 million, or 2 percent. Capital expenditures and transfers, which represent the universities' investment in their physical resources from the E&G budget, are projected to decrease by \$9.7 million, or 11 percent. Most universities funded a higher level of capital expenditures in 2014/15 through their use of one-time resources that were dedicated to specific projects. In total, noncompensation expenditures are estimated to decrease \$13.3 million, or 3 percent.

As described above, the System's anticipated 2015/16 expenditure requirements are driven primarily by mandatory cost increases in pension and health care costs. However, expenditure requirements associated with employee salaries and wages are unknown at this time and are excluded from these budget estimates.

The System's budget requirements also incorporate fiscal realignment as the System progresses from a reliance on one-time funds (Transition Funds and Planned Use of Carryforward) to a cost structure that can be sustained on existing recurring revenue. This shift results in a corresponding reduction in one-time expenditures. These combined adjustments result in an overall 2015/16 E&G expenditure requirement of \$1.62 billion, a less than 1 percent increase of \$13.5 million.

Assuming no change in the System's E&G appropriation or tuition rates, university revenue estimates reflect a total reduction in 2015/16 available revenue of \$36.4 million. The net loss in revenue combined with System-wide expenditure requirements results in a 2015/16 budget requirement of \$49.9 million.

### **E&G Appropriation Recommendation**

Additional support from the Commonwealth is critical to the continued success of Pennsylvania's public universities and the students they serve, while ensuring the continued relevance and contributions of System universities for the workforce needs of the Commonwealth.

The demands and expectations for higher education have never been greater. More than ever, today's world requires intellectual flexibility, as well as the ability to problem-solve and to quickly learn new fields and competencies in both face-to-face and virtual environments. Graduates need the ability to live and work effectively in a diverse environment. System universities are responding to those demands and the opportunities they present by:

**Aligning academic programs with real workforce and personal growth needs.**

The direct connection between the State System and the vitality and health of the Commonwealth is clear—almost 90 percent of State System undergraduates are Pennsylvania residents, and more than 80 percent of graduates remain in Pennsylvania to attend graduate school or begin their careers. As such, students, parents, and the

Commonwealth are entitled to expect quality in academic programs and the assurance that the knowledge and skills learned will be connected to career and community.

**Adapting to an ever-changing student population.**

Pennsylvania's students are becoming more diverse in terms of age, race, ethnicity, socioeconomic background, academic support needs, and prior academic experience (credits and credentials). Students' expectations—coupled with a demand for education built around technology—create complex challenges for universities.

**Providing greater flexibility in how, when, and where students learn.**

In addition to *what* is taught, it is important *how* it is taught, and that student learning is evaluated. Program design, transfer and articulation of credits, credit for prior learning, and increased collaboration among providers must work together to ensure academic integrity and student learning, as well as affordability and efficient degree attainment.

Funding of the System's 2015/16 budget requirements is essential for continued progress toward meeting these expectations and ensuring a high quality, affordable education for the coming year and for years to come. A renewed funding commitment from the Commonwealth for its state-owned universities will facilitate making the fundamental changes that are both necessary and largely inevitable. Absent a commitment for greater Commonwealth support, universities may be forced to continue to rely on greater family and student contributions to reposition their programs to meet the demands of the new millennium.

On October 8, 2014, the Board of Governors' Finance, Administration, and Facilities Committee will consider recommendations for an E&G appropriation request. Although no decision will be made concerning tuition rate increases at that time, it is likely that a tuition adjustment assumption will be necessary to balance the budget request and thereby comply with the requirements of Act 188 of 1982. The Committee and the Board will consider how best to address remaining budgetary requirements, perhaps including tuition and fee adjustments, following enactment of the Commonwealth's General Fund Budget for the 2015/16 year.

**Table 1**  
**Pennsylvania's State System of Higher Education**  
**2015/16 Educational and General Budget**

October 8, 2014

*Dollars in Millions*

<b>Educational and General Budget</b>						
<b>Revenue/Sources</b>	<b>Actual FY 2013/14</b>	<b>Current Year FY 2014/15</b>	<b>Percent Change</b>	<b>Request Year FY 2015/16</b>	<b>Dollar Change</b>	<b>Percent Change</b>
Tuition	\$845.0	\$856.0	1.3%	\$853.1	(\$2.9)	-0.3%
Fees	182.6	192.0	5.1%	191.6	(0.3)	-0.2%
State Appropriation	412.8	412.8	0.0%	412.8	(0.0)	0.0%
Transition Funds	0.0	0.0	n/a	0.0	0.0	n/a
All Other Revenue	83.0	71.7	-13.5%	71.2	(0.6)	-0.8%
Planned Use of Carryforward	0.0	74.4	n/a	41.8	(32.5)	-43.8%
<b>Total Revenue/Sources</b>	<b>\$1,523.3</b>	<b>\$1,606.9</b>	<b>5.5%</b>	<b>\$1,570.5</b>	<b>(\$36.4)</b>	<b>-2.3%</b>
<b>Expenditures and Transfers</b>						
Compensation Summary:						
Salaries and Wages	\$787.3	\$816.5	3.7%	\$813.5	(\$3.0)	-0.4%
Benefits	344.4	377.0	9.5%	406.9	29.9	7.9%
Subtotal, Compensation	\$1,131.7	\$1,193.6	5.5%	\$1,220.5	\$26.9	2.3%
Student Financial Aid	34.1	39.2	14.8%	39.7	0.5	1.2%
Utilities	33.6	34.7	3.1%	35.3	0.7	2.0%
Other Services and Supplies	228.3	249.7	9.4%	244.9	(4.8)	-1.9%
Subtotal, All Services and Supplies	\$296.1	\$323.6	9.3%	\$319.9	(\$3.7)	-1.1%
Capital Expenditures and Transfers	109.6	89.7	-18.2%	80.0	(9.7)	-10.8%
<b>Total Expenditures and Transfers</b>	<b>\$1,537.5</b>	<b>\$1,606.9</b>	<b>4.5%</b>	<b>\$1,620.4</b>	<b>\$13.5</b>	<b>0.8%</b>
<b>Revenue/Sources Less Expenditures/Transfers</b>	<b>(\$14.2)</b>	<b>\$0.0</b>		<b>(\$49.9)</b>		

<b>Annualized FTE Enrollment</b>	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Percent Change</b>	<b>FY 2015/16</b>	<b>Change</b>	<b>Percent Change</b>
In-State Undergraduate	83,194.36	81,440.16	-2.1%	80,620.45	(819.72)	-1.0%
Out-of-State Undergraduate	11,086.88	10,841.10	-2.2%	10,847.50	6.40	0.1%
In-State Graduate	7,949.49	8,069.46	1.5%	8,028.57	(40.88)	-0.5%
Out-of-State Graduate	2,228.15	2,198.03	-1.4%	2,190.55	(7.48)	-0.3%
<b>Total FTE Enrollment</b>	<b>104,458.88</b>	<b>102,548.76</b>	<b>-1.8%</b>	<b>101,687.07</b>	<b>(861.68)</b>	<b>-0.8%</b>

<b>E&amp;G FTE Employees</b>	<b>FY 2013/14</b>	<b>FY 2014/15</b>	<b>Change</b>	<b>FY 2015/16</b>	<b>Change</b>	<b>Percent Change</b>
Faculty	5,312.67	5,268.11	(44.56)	5,269.03	0.91	0.0%
AFSCME	3,134.63	3,144.63	10.00	3,148.28	3.65	0.1%
Nonrepresented	1,439.56	1,477.63	38.07	1,481.37	3.74	0.3%
SCUPA	461.17	464.39	3.22	465.39	1.00	0.2%
All Other	626.16	624.17	(1.99)	624.66	0.49	0.1%
<b>Total Budgeted FTE Employees</b>	<b>10,974.20</b>	<b>10,978.93</b>	<b>4.73</b>	<b>10,988.73</b>	<b>9.80</b>	<b>0.1%</b>

\*A total of \$2,979,065 was transferred from Office of the Chancellor and System-wide sources to Bloomsburg, Cheyney, Indiana, Kutztown, Mansfield, and West Chester Universities to assist with the transition to the new allocation formula.



**Pennsylvania's State System of Higher Education  
2015/16 Line Item Appropriation Request  
for Cheyney University of Pennsylvania's Keystone Honors Academy  
Supported by a General Fund Appropriation to PHEAA**

*October 8, 2014*

The Cheyney University Keystone Honors Academy is an initiative developed by Pennsylvania's State System of Higher Education in collaboration with the Commonwealth of Pennsylvania's administration and the Pennsylvania Department of Education. The Cheyney Keystone Academy line item was first funded in fiscal year 1999/2000 as a result of a partnership with the U.S. Department of Education's Office of Civil Rights (OCR). The original intent was to provide continuing support for the Cheyney University Keystone Honors Academy at \$2.0 million annually; \$1.525 million was appropriated for this purpose in the current fiscal year.

The State System partners with the Pennsylvania Higher Education Assistance Agency (PHEAA) for the Academy's funding. The Keystone Academy Scholarship Program supports students with scholarships that cover the cost of tuition, fees, room, and board (after all other financial gift aid has been used). All participants must be residents of the Commonwealth. The standard period of support for students is the equivalent of eight semesters, prorated for students transferring from community colleges or other higher education institutions. Retention in the Keystone Honors Academy and renewal of scholarship support are dependent upon satisfactory academic progress. A small portion of funding (no more than 20 percent) is used to support administration of the Keystone Honors Academy and provide special programming for its students.

The Keystone Honors Academy is a dynamic educational initiative that complements Cheyney University's historic contribution to the Commonwealth and the nation by enhancing the University's ability to attract, retain, and graduate high-achieving Pennsylvania students. The program graduates students at a rate that is twice that of the national average for African-Americans, of which an increasing number continue their education in graduate programs. Not only is this program essential to the success of students receiving the scholarships, it also plays an important role in the success of all Cheyney students and the vitality of the University. The Keystone Honors Academy further enriches the living and learning environment for the entire campus community by providing cultural and intellectual programming. Its students serve the campus community as tutors, assistants in the writing center, resident assistants, and student leaders. As models of success, the University's honors students serve as a source of inspiration and motivation for all Cheyney students.

The Keystone Honors Academy adds to the number of qualified college graduates in the Commonwealth. Although racial background is not a criterion for the Academy, the program provides access and opportunity to students of color who would not otherwise be able to pursue a college education in the Commonwealth. Graduates of the Keystone Honors Program add to the intellectual capital of the region and help to influence future generations of potential college students.

This 2015/16 request seeks to return funding to the Commonwealth's original commitment of \$2 million annually.

In addition, it is requested that the Cheyney University Keystone Academy line item be transferred from PHEAA to the State System. Both PHEAA and the State System support this transfer. The State System is directly involved in the award of scholarships and ensures that the funds are used appropriately in accordance with the intended purpose of the appropriation. Transferring the line item would align the appropriation with the entity that is accountable for the direct use of funds.

**Finance, Administration, and Facilities Committee Meeting**

October 8–9, 2014

**SUBJECT:** Pricing Flexibility Pilot, Lock Haven University of Pennsylvania (ACTION)

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**UNIVERSITIES AFFECTED:** Lock Haven University of Pennsylvania**BACKGROUND:** The State System's founding legislation, Act 188 of 1982; and Board of Governors' Policies 1999-02-A: *Tuition*, and 1989-05-A: *Student Fees*, provide the framework in which the Board annually sets tuition and university councils of trustees set university fees.

At its meeting on January 23, 2014, the Board established a Pricing Flexibility Pilot Program, including principles and conditions by which System universities would be allowed to develop more market-driven pricing practices and assume the financial and operational risks of doing so. This requires Board approval of particular exceptions to existing policy. To date, approval has been granted for a total of 18 pricing pilots.

One additional pricing flexibility pilot proposal is presented to the Board for consideration, as noted below and described in the attached.

**MOTION:** That the Board of Governors approve an exception to Board of Governors' Policy 1989-05-A: *Student Fees*, to allow Lock Haven University of Pennsylvania's Council of Trustees to establish course-specific fees for the Associate of Nursing (ASN) program.

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**Supporting Documents Included:** Lock Haven University's Pricing Flexibility Pilot Program Proposal**Other Supporting Documents Available:** Act 188 of 1982; Board of Governors' Policies 1999-02-A: *Tuition*, and 1989-05-A: *Student Fees*; Board of Governors' meeting materials, January 23, April 10, and July 8, 2014; University Proposals**Reviewed by:** Lock Haven University Council of Trustees, September 4, 2014; Finance, Administration, and Facilities Committee of the Board of Governors, September 29, 2014**Prepared by:** James S. Dillon**Telephone:** (717) 720-4100

## **Lock Haven University of Pennsylvania Pricing Flexibility Pilot Program Associate of Nursing (ASN) Program Course Fee**

**Concept:** To allow Lock Haven University's Council of Trustees to establish course-specific fees for the high-cost/high-demand Associate of Nursing (ASN) program. The fee and course costs would be reviewed annually and the fee adjusted if warranted by the review. Initially, a fee of 30 percent of tuition would be applied to all nursing courses. This equates to \$85.20 per credit hour based on the 2014/15 tuition rate. The fee would be phased in over two years, beginning in fall 2015.

**Justification/Rationale:** Due to clinical supervision requirements, nursing courses feature a low student/faculty ratio, which increases the cost. Currently, the revenue generated by these courses does not cover the direct instructional cost, and the long-term financial sustainability of the program is questionable. Assessing a nursing program fee better aligns the revenue and costs of the program. The proposed fee is necessary to make the program financially viable.

**Cost/Benefit Analysis:** In fiscal year (FY) 2013/14, 1,792 credit hours of nursing course work were delivered as part of the ASN program. The proposed fee would be applied at \$45 per credit hour in the first year (FY 2015/16) and increased to the full implementation rate of 30 percent of tuition the following year. This would generate an estimated \$80,640 in incremental revenue in FY 2015/16 and approximately \$150,000 by FY 2016/17, when it is fully implemented. This would substantially reduce the program's operating deficit. The effect on enrollment is anticipated to be minimal as the University currently receives over 200 applications for 30 seats, and the total program cost would remain below that of regional competitors.

**Timeline:** Fall 2015 through spring 2017.

### **Assessment Goals:**

**Enrollment**—Lock Haven University anticipates that this program will not materially affect projected enrollment.

**Access**—The University is committed to providing access to all students, especially those with exceptional financial need, by providing institutional need-based scholarship assistance to qualified students within this pilot program. Access will be measured as maintaining at least a similar profile of Pell grant recipients and underrepresented minority students within this pilot program.

**Tuition Revenue**—The pilot will have no effect on tuition revenue; a fee revenue increase of \$80,640 in FY 2015/16 and \$150,000 in FY 2016/17 is anticipated.

**Program Viability:** If the program is unsuccessful at the end of the pilot period, the University is committed to reducing or eliminating the pilot. There is no anticipated negative impact to students if the pilot is discontinued. However, the University would need to assess its ability to continue to offer a program that generates revenue below its direct instructional costs.

**Finance, Administration, and Facilities Committee Meeting**

October 8–9, 2014

**SUBJECT:** Waller Administration Building, Capital Project Reprogramming, Bloomsburg University of Pennsylvania (ACTION)

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**UNIVERSITIES AFFECTED:** Bloomsburg University of Pennsylvania

**BACKGROUND:** Bloomsburg University requests approval to significantly revise and increase the scope of the Waller Administration Building project, which is a Commonwealth capital-funded project.

The Board approved funding of \$25.5 million in the fiscal year 2013/14 capital spending plan for the original project. The scope included renovating and adding to the Waller Administration Building, relocating academic functions from the Old Science Hall into the building, and eventually demolishing the Old Science Hall.

Subsequent to approval of the project, the University completed its facilities master plan update and determined that the Waller site should be the primary entry point to the campus academic quad and would be the best strategic location for admissions and student services functions, currently located in Warren Hall. The University also determined that it would be more cost effective to completely replace the Waller Administration Building rather than building an addition and renovating the existing structure. The change in scope will increase the building size by 36,000 gross square feet and add \$12 million to the cost, which will be paid from existing University funds.

Functions currently housed in Warren Hall are not strategically located, resulting in inefficient use of key property at the west end of the academic quad. The proposed change allows for eventual demolition of Warren Hall and frees the site for more strategic future development per the master plan.

**MOTION:** That the Board of Governors approve Bloomsburg University's request to reprogram the Waller Administration Building project by increasing the size to accommodate the student services functions.

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**Supporting Documents Included:** N/A

**Other Supporting Documents Available:** Waller Administration Building Feasibility Study, Project Planning Documentation, and Building Reprogramming Summary

**Reviewed by:** Bloomsburg University's Council of Trustees, June 11, 2014

**Prepared by:** James S. Dillon

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

**Finance, Administration, and Facilities Committee Meeting**

October 8–9, 2014

**SUBJECT:** New Residence Hall, Bloomsburg University of Pennsylvania (ACTION)

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**UNIVERSITIES AFFECTED:** Bloomsburg University of Pennsylvania**BACKGROUND:** Bloomsburg University requests approval to construct a new, seven-story, 162,000-square-foot mixed-use building using System bond financing. The facility will house 394 beds of student residences on the upper six floors and a bookstore, student dining area, and mailroom on the lower level.

Despite completion of an affiliate-owned 408-bed complex in 2004 and two on-campus housing projects in 2006 and 2009 providing 790 beds, the University continues to suffer a shortage of adequate student housing, with an average over-occupancy rate of 11%. The lack of ample, affordable student housing close to campus hampers the University's ability to manage enrollment and the rate of persistence to graduation, and to successfully compete for qualified students. The lack of room options and number of over-occupied rooms diminishes student satisfaction, and accelerates wear and tear on existing housing.

The project is consistent with the University's 2014 facilities master plan, which includes a comprehensive review of all current and future residential needs. The plan identified eight potential locations for new or renovated housing, with the current University Bookstore designated as the location for the first phase in a long sequence. This starting point provides new housing capacity without impacting existing inventory.

The project is estimated to cost \$61.4 million, \$7.2 million of which would be funded with cash on hand and the balance financed with a 25-year bond. Bookstore space rental and a student room rental rate of about \$4,200 per semester would be used to service the debt. This room rental rate is higher than the University's current rates, but is less than the average room rates projected at State System universities for fall 2017 when the building is expected to open.

**MOTION:** That the Board of Governors approve Bloomsburg University's request to construct a new residence hall using System bond financing.

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**Supporting Documents Included:** N/A**Other Supporting Documents Available:** 2012 Student Housing Study Update by Brailsford & Dunlavey; Residence Hall Feasibility Study of July 23, 2014; University Project Planning Data**Reviewed by:** Bloomsburg University's Council of Trustees, September 17, 2014**Prepared by:** James S. Dillon**Telephone:** (717) 720-4100

**Finance, Administration, and Facilities Committee Meeting**

October 8–9, 2014

**SUBJECT:** Andruss Library Addition, Bloomsburg University of Pennsylvania (ACTION)

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**UNIVERSITIES AFFECTED:** Bloomsburg University of Pennsylvania**BACKGROUND:** Bloomsburg University requests approval to construct a 16,000-square-foot addition to the Andruss Library building to house the campus police department, campus telephone switch, and alternate computer backup equipment.

The University wants to relocate these functions in advance of starting construction on the Waller Administration Building replacement and campus bookstore/student housing projects to correct existing space and equipment deficiencies and ensure that the critical services they provide are not interrupted. The cost of the project is estimated at \$6.1 million and will be fully funded using existing University funds.

The telephone switch and computer backup equipment are currently located in the Waller Administration Building and are at the end of their useful life. Relocation to the Andruss addition would provide a central location with easier access to the campus telecommunications system.

The Andruss addition will address longstanding space and facility shortfalls for the campus police department, which is currently sharing the University Bookstore building. Collocating campus police with the telephone and computer equipment also will allow a single emergency generator to service both critical need functions.

**MOTION:** That the Board of Governors approve Bloomsburg University's request to construct an addition to the Andruss Library building using existing University funds.

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**Supporting Documents Included:** N/A**Other Supporting Documents Available:** Project Planning Documentation**Reviewed by:** Bloomsburg University's Council of Trustees, March 5, 2014**Prepared by:** James S. Dillon**Telephone:** (717) 720-4100

**Finance, Administration, and Facilities Committee Meeting**

October 8–9, 2014

**SUBJECT:** New Performing Arts Center, Capital Project Reprogramming, Slippery Rock University of Pennsylvania (ACTION)

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**UNIVERSITIES AFFECTED:** Slippery Rock University of Pennsylvania

**BACKGROUND:** Slippery Rock University requests approval to significantly revise and reduce the scope of the New Performing Arts Center project and apply the remaining funds to a new project.

Funding for the project was approved by the Board in the fiscal year 2010/11 Capital Spending Plan, with additional funds approved in fiscal year 2011/12, totaling \$24.6 million for design and construction. The project scope included renovating Miller Auditorium and constructing a large addition to accommodate the University's theater and dance programs. Considering the changing economic environment, the University seeks to reduce the overall cost and scope of the project by:

- Reducing the size of the addition to Miller Auditorium.
- Renovating the East/West Gym to provide necessary theater and dance program space eliminated by downsizing the performing arts center addition.
- Using approximately \$2.7 million to construct facilities to support the safety management program and/or for a capital-funded deferred maintenance project.
- Avoiding an anticipated University funding requirement of another \$1 million.

The modifications result in a net reduction of approximately 20,000 square feet, which equates to an avoidance of about \$165,000 in annual operating and maintenance costs.

In addition to Board approval, this change will require approval from the Department of General Services and the Governor's Office of the Budget. The safety management industrial simulation lab will also require legislative authorization in a future capital bill.

**MOTION:** That the Board of Governors approve Slippery Rock University's request to reprogram the New Performing Arts Center project at a reduced overall scope, which includes renovating spaces in the East/West Gym and constructing an industrial simulation lab and /or for a capital-funded deferred maintenance project.

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**Supporting Documents Included:** N/A

**Other Supporting Documents Available:** Industrial Simulation Lab Feasibility Study and Project Planning Documentation; Performing Arts Building Reprogramming Summary

**Reviewed by:** Slippery Rock University's Council of Trustees, September 26, 2014

**Prepared by:** James S. Dillon

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

**Finance, Administration, and Facilities Committee Meeting**

October 8–9, 2014

**SUBJECT:** Demolition of Naugle Hall, Shippensburg University of Pennsylvania  
(INFORMATION)

---

**UNIVERSITIES AFFECTED:** Shippensburg University of Pennsylvania

**BACKGROUND:** Shippensburg University intends to demolish Naugle Hall, which is no longer needed and is considered excess space. Due to its size, condition, and configuration, it is not feasible to retain it for renovation or reuse.

Naugle Hall is a 103,000-square-foot, four-story, traditional residence hall constructed in 1965. It is a basic flat-roofed, concrete-and-brick, box-shaped structure with central rest room and shower facilities, typical of institutional dormitories constructed during that time period. The building has exceeded its useful life, is programmatically obsolete, and is not economical to renovate or operate.

Shippensburg University recently completed Phase 2 of its on-campus student housing replacement program and has elected to postpone Phase 3 of the program to focus on completing a minor renovation of Mowery and McLean Halls. As a result, Naugle Hall is no longer needed.

The plan to demolish the building is consistent with the University's master plan completed in 2008 and will require approval from the Department of General Services and the Pennsylvania Historical and Museum Commission.

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

**Other Supporting Documents Available:** Project Planning Documentation

**Reviewed by:** Shippensburg University's Council of Trustees, September 5, 2014

**Prepared by:** James S. Dillon

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

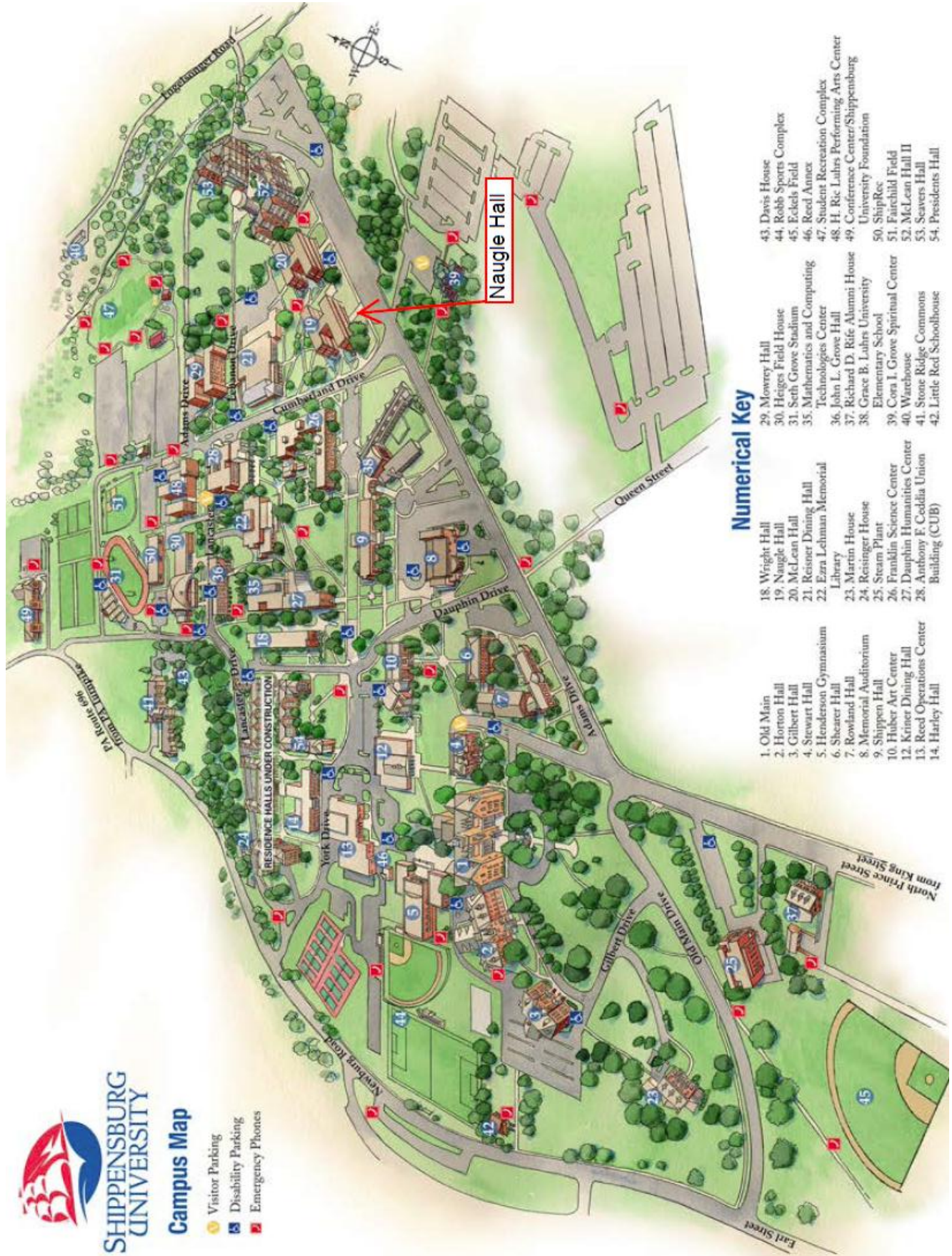




**SHIPPENSBURG UNIVERSITY**

**Campus Map**

- Visitor Parking
- Disability Parking
- Emergency Phones



**Numerical Key**

- |                            |  |   |  |
|----------------------------|--|---|--|
| 1. Old Main                | 18. Wright Hall                            | 29. Mowrey Hall                                   | 43. Davis House  |
| 2. Horton Hall             | 19. Naugle Hall                            | 30. Heiges Field House                            | 44. Robb Sports Complex                                  |
| 3. Gilbert Hall            | 20. McLean Hall                            | 31. Seth Grove Stadium                            | 45. Echels Field   |
| 4. Stewart Hall            | 21. Reisser Dining Hall                    | 35. Mathematics and Computing Technologies Center | 46. Reed Annex   |
| 5. Henderson Gymnasium     | 22. Ezra Lehman Memorial Library           | 36. John L. Grove Hall                            | 47. Student Recreation Complex                           |
| 6. Shearer Hall            | 23. Marlin House                           | 37. Richard D. Rife Alumni House                  | 48. H. Ric Luhs Performing Arts Center                   |
| 7. Rowland Hall            | 24. Reisinger House                        | 38. Grace B. Luhs University                      | 49. Conference Center/Shippensburg University Foundation |
| 8. Memorial Auditorium     | 25. Steam Plant                            | 39. Cora I. Grove Spiritual Center                | 50. ShipRec  |
| 9. Shippin Hall            | 26. Franklin Science Center                | 40. Warehouse                                     | 51. Fairchild Field                                      |
| 10. Huber Art Center       | 27. Dauphin Humanities Center              | 41. Stone Ridge Commons                           | 52. McLean Hall II                                       |
| 12. Kriner Dining Hall     | 28. Anthony F. Caddia Union Building (CUB) | 42. Little Red Schoolhouse                        | 53. Seavers Hall   |
| 13. Reed Operations Center |  |   | 54. Presidents Hall                                      |



**Naugle Hall**  
**Shippensburg University of Pennsylvania**





# Human Resources Committee

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

October 8-9, 2014

## Agenda

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2. Collective Bargaining Agreement and Memorandum of Understanding for Pennsylvania Doctors Alliance (PDA) (ACTION) .....	85

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**Committee Members:** Marie Conley (*Chair*), Senator Richard L. Alloway II, Jennifer G. Branstetter (designee for Governor Thomas W. Corbett), Ronald G. Henry, Aaron A. Walton, Guido M. Pichini (*ex officio*), and Karen M. Whitney (nonvoting presidential liaison).

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

**Human Resources Committee Meeting**

October 8-9, 2014

**SUBJECT:** Human Resources Committee Update (INFORMATION)

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**UNIVERSITIES AFFECTED:** All

**BACKGROUND:** A report of Committee work will be provided at the Board meeting.

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**Supporting Documents Included:** N/A

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

**Reviewed by:** N/A

**Prepared by:** Peter H. Garland

**Telephone:** (717) 720-4010

**Human Resources Committee Meeting**

October 8-9, 2014

**SUBJECT:** Collective Bargaining Agreement and Memorandum of Understanding for Pennsylvania Doctors Alliance (PDA)

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**UNIVERSITIES AFFECTED:** All

**BACKGROUND:** In accordance with Act 188 of 1982 as amended, sections 20-2003-A and 20-2005-A, the Office of the Chancellor of the Pennsylvania State System of Higher Education (State System) in coalition with the Commonwealth of Pennsylvania and the Pennsylvania Doctors Alliance (PDA) completed negotiations and meet and discuss for a new agreement and memorandum of understanding, respectively, for the period July 1, 2012 through June 30, 2016. The Commonwealth of Pennsylvania has ratified the agreement/memorandum. Ratification by the Board of Governors is necessary prior to implementing the changes for State System employees. The attached summary details the key changes that resulted from collective bargaining/meet and discuss.

Although this agreement/memorandum applies to all State System universities there are only two employees (Millersville and Edinboro) represented by PDA.

**MOTION:** That the Board of Governors' ratify the agreement and memorandum with PDA and authorize the Chancellor to sign the appropriate documents.

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**Supporting Documents Included:** PDA Tentative Agreement – Summary of Key Provisions

**Other Supporting Documents Available:** PDA Tentative Agreement

**Reviewed by:** Labor Relations

**Prepared by:** Peter Garland

**Telephone:** (717) 720-4010

**Commonwealth of Pennsylvania/Pennsylvania State System of Higher Education and  
Pennsylvania Doctors Alliance  
Tentative Agreement - Summary of Key Provisions**

**Term of Agreement**

July 1, 2012 through June 30, 2016

**Wages**

	<b>General Pay Increase</b>	<b>Step Increment</b>
2012-2013	1.0% effective July 1, 2012	2.25% effective April 2013
2013-2014	0.5% effective July 1, 2013 0.5% effective January 1, 2014	2.25% effective April 2014
2014-2015	2.0% effective July 1, 2014	2.25% effective January 1, 2015
2015-2016	"Me too" with employee organization representing the majority of state employees or option to negotiate salary and wage provisions	

**Health Benefits Employee Contributions**

<b>Contribution Period</b>	<b>Employee Contribution</b>	<b>Get Healthy Waiver</b>	<b>Employee Contribution with Get Health Waiver</b>
FY 12/13	3.0%	1.5%	1.5%
FY 13/14	3.0%	1.5%	1.5%
FY 14/15	5.0%	2.0%	3.0%
FY 15/16	"Me too" with employee organization representing the majority of state employees		

**Employer Contribution to PEBTF for Health Benefits**

<b>Contribution Period</b>	<b>Contribution Rate Per Permanent Full-Time Employee Eligible for Benefits</b>
FY 12/13	\$390 biweekly
FY 13/14	\$425 biweekly
FY 14/15	\$455 biweekly
FY 15/16	"Me too" with employee organization representing the majority of state employees

**Sick and Bereavement Leave**

- Effective at the beginning of the 2013 leave calendar year, decrease the sick leave accrual rate to provide a maximum of eleven (11) days per leave year. Currently earn thirteen (13) days.
- If an employee does not use any sick leave within a leave calendar year, they will earn an additional personal day to use the following leave calendar year.

**Vacation Leave**

- Employees hired on or after July 1, 2012 will have a maximum cap of 20 days of annual leave to accrue after 15 years of service. Employees hired before 7/1/2012 can accrue up to 26 days.



# Board of Governors' Quarterly Meeting

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

Thursday, October 9, 2014  
9:00 a.m.

## Agenda

Call to Order and Roll Call of Board Members

Pledge of Allegiance

Approval of the Minutes of the July 7, 2014, July 8, 2014, and August 8, 2014, meetings.

Public Comments

Remarks of the Chair ..... Guido M. Pichini

Report of the Chancellor ..... Frank T. Brogan

Committee Reports with Related Actions

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

1. Approval of a Master of Science in Cybersecurity Degree Program at California University of Pennsylvania
2. Approval of a Master of Science in Applied Mathematics Degree Program at California University of Pennsylvania
3. Approval of a Bachelor of Science in Electrical Engineering Degree Program at Shippensburg University of Pennsylvania
4. Approval of a Master of Education in Technology for Online Instruction Degree Program at Slippery Rock University
5. Gaining Early Awareness and Readiness for Undergraduate Programs Partnership Grant
6. Fall 2014 Student Profile and Enrollment Trends

**B. Audit** ..... Joseph F. McGinn

1. Office of Internal Audit and Risk Assessment (OIARA) Update

- C. Finance, Administration, and Facilities** ..... Ronald G. Henry
1. Educational and General Operating Budgets for Pennsylvania’s State System of Higher Education Entities
  2. Fiscal Year 2015/16 Appropriations Request
  3. Pricing Flexibility Pilot, Lock Haven University of Pennsylvania
  4. Waller Administration Building, Capital Project Reprogramming, Bloomsburg University of Pennsylvania
  5. New Residence Hall, Bloomsburg University of Pennsylvania
  6. Andruss Library Addition, Bloomsburg University of Pennsylvania
  7. New Performing Arts Center, Capital Project Reprogramming, Slippery Rock University of Pennsylvania
  8. Demolition of Naugle Hall, Shippensburg University of Pennsylvania

- D. Human Resources** .....Marie Conley
1. Committee Update
  2. Collective Bargaining Agreement and Memorandum of Understanding for Pennsylvania Doctors Alliance (PDA)

- Board Action** .....Chairman Guido M. Pichini
1. Resolution:
    - Andre Reed
  2. Standing Committee Assignments

**Other Business** .....Chairman Guido M. Pichini

**Announcements**

**Adjournment**

**Board Members:** Guido M. Pichini (*Chair*), Senator Richard L. Alloway II, Representative Matthew E. Baker, Jennifer G. Branstetter (designee for Governor Thomas W. Corbett), Marie Conley, Acting Secretary of Education Carolyn C. Dumaresq, Laura E. Ellsworth (*Vice Chair*), Christopher H. Franklin, Todd M. Garrett, Chelsea E. Getsy, Representative Michael K. Hanna, Ronald G. Henry (*Vice Chair*), Jonathan B. Mack, David M. Maser, Joseph F. McGinn, Robert S. Taylor, Aaron A. Walton, and Senator John T. Yudichak.

For further information, contact Randy A. Goin, Jr. at (717) 720-4010.



**Board of Governors' Meeting**

October 9, 2014

**SUBJECT:** Standing Committee Assignments (ACTION)

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**UNIVERSITIES AFFECTED:** All

**BACKGROUND:** The Standing Committee Assignments must be updated to include current assignments of Board members to the Committees of the Board.

**MOTION:** That the Board of Governors approve the standing committee assignments as shown in the *Standing Committee Assignments* document distributed at the Quarterly Board meeting, effective October 9, 2014.

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**Supporting Documents Included:** N/A

**Other Supporting Documents Available:** *Standing Committee Assignments*

**Reviewed by:** N/A

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

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