



Board of Governors Meeting

Dixon University Center
2986 North Second Street
Harrisburg, PA 17110-1201

October 18-19, 2017

Wednesday, October 18

- 2:30 p.m. Executive Session (Conference Room B and C)
(Board members, chancellor/staff, presidents)
- 3:30 p.m. Board of Governors Meeting (Boardroom)
- Appointment of Interim President for Clarion University
- Committee Meeting
- Academic and Student Affairs Committee
 - 1. System Profile: Enrollment Trends (DISCUSSION)
 - 2. Recommendation for Approval of Two New Academic Programs
 - a. Approval of a Bachelor of Science in Respiratory Care at Clarion University of Pennsylvania (ACTION)
 - b. Approval of a Bachelor of Fine Arts in Acting at Slippery Rock University of Pennsylvania (ACTION)
 - 3. Roundtable Discussion: The Career Development Ecosystem (DISCUSSION)
- 5:00 p.m. Dinner Reception (Conference Rooms B and C)
(Board Members, Presidents, Trustees, Chancellor/Staff)

Thursday, October 19

- 9:00 a.m. Board of Governors Meeting (Boardroom)
- 1. Call to Order / Roll Call of Board Members
 - 2. Pledge of Allegiance
 - 3. Comments by SCUPA President, Sheleta Camarda-Webb
 - 4. Public Comments

5. Chair Report
6. Chancellor Report
7. Consent Agenda - ACTION
 - a. Minutes – July 12, 2017, July 13, 2017, August 4, 2017, and August 22, 2017
 - b. Committee Assignments (**page 23**)
 - c. Office of Internal Audit and Risk Assessment (OIARA) Quarterly Update (**page 24**)
 - d. Finance, Administration, and Facilities Committee action items
 - a. Educational and General Financial Plans for Pennsylvania’s State System of Higher Education Entities (**page 27**)
 - b. Fiscal Year 2017/18 Capital Spending Plan and Capital Budget Authorization (**page 49**)
 - c. Demolition of Various Buildings, Millersville University of Pennsylvania (**page 52**)
 - d. Property acquisition, West Chester University of Pennsylvania (**page 56**)
 - e. Academic and Student Affairs Committee action items – (see ASA Committee section for materials – pages 5-19)
 - a. Approval of a Bachelor of Science in Respiratory Care at Clarion University of Pennsylvania (**page 6**)
 - b. Approval of a Bachelor of Fine Arts in Acting at Slippery Rock University of Pennsylvania (**page 13**)
8. System Redesign - DISCUSSION (**page 58**)
 - a. Three strategic priorities
 - b. Transforming Board meetings, operations, and committees
9. Revision to Board of Governors Policy 2013-01: *Process for Appointment of Chancellor* ACTION (**page 59**)
10. Fiscal Year 2018/19 Appropriation Request - ACTION (**page 63**)
11. Resolution(s) - ACTION
12. Adjournment
(*Executive session will be called as needed*)

Board Members: Cynthia D. Shapira (*Chair*), Senator Ryan P. Aument, Representative Matthew E. Baker, Audrey F. Bronson, Secretary Sarah E. Galbally (Governor Wolf’s designee), Representative Michael K. Hanna, Shaina Hilsey, Donald E. Houser, Jr., Jonathan B. Mack, David M. Maser (*Vice Chair*), Barbara McIlvaine Smith, Daniel P. Meuser, Thomas S. Muller, Noe Ortega, Guido M. Pichini, Secretary of Education Pedro A. Rivera, Senator Judith L. Schwank, Harold C. Shields (*Vice Chair*), Brian Swatt, and Governor Thomas W. Wolf.

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



Academic and Student Affairs Committee

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

October 18-19, 2017

Agenda

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Committee Members: Jonathan B. Mack (Chair), Senator Ryan P. Aument, Audrey F. Bronson, Representative Michael K. Hanna, Shaina M. Hilsey, Barbara McIlvaine Smith, Secretary of Education Pedro A. Rivera, Senator Judith L. Schwank, Cynthia D. Shapira (*ex-officio*), and John M. Anderson (*non-voting presidential liaison*).

For further information, contact Kathleen M. Howley at (717) 720-4200

Academic and Student Affairs Committee

October 18-19, 2017

SUBJECT: System Profile: Enrollment Trends (DISCUSSION)

UNIVERSITIES AFFECTED: ALL

BACKGROUND: The Board of Governors annually is presented with fall semester enrollment data based on information available as of the 15th day of classes (Fall Freeze Date). The data is presented in the context of enrollment trends, student profiles, and other higher education sectors. This presentation will highlight ways in which universities are reaching new markets to increase or stabilize enrollments in alignment with the Commonwealth's educational attainment profile and employer demand. This will include a discussion of growth in areas such as graduate and doctoral programs as well as distance education and programs designed for adult learners.

Supporting Documents Included: N/A

Other Supporting Documents Available: N/A

Prepared by: Kathleen M. Howley

Telephone: (717) 720-4200

Academic and Student Affairs Committee Meeting

October 18-19, 2017

SUBJECT: Recommendation for Approval of Two New Academic Programs (ACTION)

UNIVERSITIES AFFECTED: Clarion University of Pennsylvania and Slippery Rock University of Pennsylvania

BACKGROUND: In accordance with Board of Governors' Policy 1985-01-A: *Requirements for Initiation or Change of Credit-Based Academic Programs*, with the approval of the respective Councils of Trustees to bring the proposed programs forward for approval by the Board of Governors of Pennsylvania's State System of Higher Education, and upon recommendation of the Chancellor, the following two new academic programs are put forth for consideration:

- a. Approval of a Bachelor of Science in Respiratory Care at Clarion University of Pennsylvania
- b. Approval of a Bachelor of Fine Arts in Acting at Slippery Rock University of Pennsylvania

Supporting Documents Included: Executive Summaries of Degree Proposals and Five-Year Budget Projections for each proposed academic program.

Other Supporting Documents Available: Board of Governors' *Policy 1985-01-A: Requirements for Initiation or Change of Credit-Based Academic Programs*.

Prepared by: Kathleen M. Howley

Telephone: (717) 720-4200

Academic and Student Affairs Committee Meeting
October 18-19, 2017

SUBJECT: Approval of a Bachelor of Science in Respiratory Care at Clarion University of Pennsylvania (ACTION)

UNIVERSITIES AFFECTED: Clarion University of Pennsylvania

BACKGROUND: In accordance with Board of Governors *Policy 1985-01-A: Requirements for Initiation or Change of Credit-Based Academic Programs*, with the approval of the Council of Trustees at Clarion University of Pennsylvania to bring this proposed program forward for approval by the Board of Governors of Pennsylvania's State System of Higher Education, and upon recommendation of the Chancellor, the following motion is put forth.

MOTION: That the Board of Governors approve a Bachelor of Science in Respiratory Care at Clarion University of Pennsylvania

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

Other Supporting Documents Available: Degree Proposal; Board of Governors Policy 1985-01-A: *Requirements for Initiation or Change of Credit-Based Academic Programs*.

Approved to move forward by Clarion Council of Trustees: July 20, 2017

Prepared by: Kathleen M. Howley

Telephone: (717) 720-4200

EXECUTIVE SUMMARY OF DEGREE PROPOSAL
Bachelor of Science in Respiratory Care
Clarion University of Pennsylvania
October 18-19, 2017

1) Brief Description of Program and Appropriateness to Mission

Clarion University is proposing a 120-credit Bachelor of Science degree in respiratory care that builds upon the success of the existing associate degree program.

For decades, the associate degree has been standard practice for entry-level respiratory care education. While the associate degree will continue to serve an important role, the American Association for Respiratory Care and the Commission for Accreditation for Respiratory Care acknowledges the need for a larger number of respiratory therapists with baccalaureate degrees to serve as educators, researchers, managers, clinical specialists, and in other roles throughout the healthcare system.

The proposed bachelor's-level program will replace the current 79-credit accredited Associate of Science degree in respiratory care. The proposed curriculum builds upon the current associate degree program with the addition of upper division respiratory care course work that will equip graduates with the knowledge and skills necessary to function effectively as respiratory therapists within a broadening and evolving scope of respiratory care practice. Moreover, the innovative and unique three-year structure of the proposed bachelor's degree program will facilitate early conferral of the degree. Graduates of the proposed program will be positioned to enter the workforce and generate income one year sooner than graduates of other typical four-year bachelor's degree respiratory care programs.

Further, the proposed bachelor's degree program will dually serve as a degree completion program for respiratory therapists who are already credentialed professionals and who need the flexibility to earn their bachelor's degree online.

The target population for the proposed degree includes two groups: 1) traditional age students who have recently graduated high school and are looking for a practical credential to gain immediate entry into the workforce post-graduation, and 2) credentialed respiratory therapists who wish to acquire a bachelor's degree, further enhancing their employability and opportunities for advancement. Graduates will be immediately eligible to sit for the national credentialing examinations administered by the National Board for Respiratory Care that lead to the credential of Registered Respiratory Therapist (RRT).

This proposed bachelor's degree program supports Clarion's strategic growth as well as its mission to provide "transformative, lifelong learning opportunities through innovative, nationally recognized programs."

2) Need

The need for Clarion University's proposed B.S. in respiratory care is strongly supported by market data tied to occupational needs in the Commonwealth of Pennsylvania. Graduates of the proposed program will be prepared to function not only as respiratory care clinicians, but also as viable candidates for other positions, including respiratory health educators/trainers and respiratory care equipment and supplies sales representatives.

All three of these occupations—respiratory care clinicians, health educators, and respiratory care equipment and supplies sales representatives—are included on the statewide and regional 2016-2017 High Priority Occupations Lists published by Pennsylvania's Center for Workforce Information and Analysis (2016).

Respiratory therapists also are included on the state's Northwest and Southwest Workforce Development Areas 2016 High Priority Occupations Lists.

The regional demand for respiratory therapists is projected to increase 18.8 percent in Pennsylvania's northwest corridor and 14.3 percent in the southwest corridor from 2012 through 2022 (CWIA 2016). Nationally, the demand for respiratory therapists is projected to "grow by 12 percent between 2014 and 2024, faster than the average for all occupations" (U.S. DOL, BLS, 2016).

Results from a supply/demand gap analysis indicate that State System universities and other colleges and universities in the Commonwealth cannot meet the projected demand for respiratory therapists. In addition to Clarion University, four other State System universities offer respiratory care programs. Indiana University offers a 4-year B.S. in respiratory care; Mansfield University offers a 2-year A.A.S. in respiratory care; Millersville University offers both a 3.5-year B.S. in allied health technologies and a 4.5-year B.S. in biology with a respiratory care option; and West Chester University offers a 4-year B.S. in respiratory care. From 2011 to 2016, these State System Universities graduated an average of 82 respiratory therapy majors per year. Meanwhile, EMSI Analyst reported there were 205 annual openings for respiratory therapists in 2016, leaving an annual gap of approximately 123. Additional EMSI Analyst data indicated that in the Commonwealth of Pennsylvania, there were 113 B.S. graduates for 193 annual openings for B.S. prepared respiratory therapists, leaving an annual gap of 80. These analyses demonstrate that existing B.S. respiratory care programs as well as the new bachelor's degree program proposed by Clarion University are needed to help meet high-priority occupational demands of the Commonwealth.

3) Coordination/Cooperation/Partnerships

Clarion University's College of Health and Human Services has contractual partnerships with 13 local and regional healthcare facilities to provide clinical practicum rotations for students in the current associate respiratory care program. All of these facilities have already committed to serving as clinical rotation sites for the bachelor's degree. Clinical capacity of the proposed bachelor's degree program is estimated to be 18 to 25, and Clarion's respiratory care faculty continuously seek additional clinical practicum partnerships.

Clarion is committed to maximizing student success and will therefore work with other State System universities to accept transfer credits into the proposed bachelor's degree program. Because Clarion University's proposed bachelor's degree program will dually function as a degree completion program, Clarion will explore articulation options with Mansfield's A.A.S. respiratory care program and as well as with community colleges and regional healthcare providers.

4) Resource Sufficiency

The proposed bachelor's-level program will replace Clarion's current 79-credit Associate of Science in respiratory care and, as such, will leverage all of the existing resources for the new program. All of the existing equipment currently used for Clarion's associate degree respiratory care program will continue to be used for the proposed bachelor's degree program. This includes the use of the state-of-the-art simulation laboratory at the Venango Campus. The budget reflects planned refreshes of existing equipment that would be required for the existing associates program. Reaccreditation fees that have been allocated for the 2018-2019 reaccreditation of the current associate degree program will be reallocated for the proposed bachelor's degree program. As the current associate degree program, the proposed bachelor's degree program will be assessed the same yearly ongoing accreditation fee. Clarion will enroll the last cohort of A.S. respiratory care students in fall 2017; these students will graduate in August 2019.

The first cohort of B.S. respiratory care students will enroll in the proposed program in the fall semester 2018. The proposed bachelor's degree program is an extension of Clarion's existing associate degree program and consists of the same (or only slightly revised) courses in Years 1 and 2. Consequently, the two current respiratory care faculty will be able to teach courses that satisfy the requirements of both programs. Effective summer 2019, an additional temporary, part-time respiratory care faculty member will be required at 25 percent in fall semesters, 50 percent in spring semesters, and 20 percent in summer. Credit production in the proposed program, based on slowly increasing full-time enrollment of traditional age students and more rapidly increasing part-time enrollment of degree completion students, is therefore expected to fully fund salaries of additional program faculty.

The enrollment in years 1 and 2 of the proposed program is based on traditional enrollment in the A.S. in respiratory care. Enrollment is expected to attract new traditional age students to Clarion University in years 3, 4, and 5 of the program. This slow enrollment increase will ensure adequate clinical placement sites. Part-time enrollment of degree completion students will begin in summer of year 2 and is expected to grow with increased outreach and marketing to community colleges and healthcare facilities.

Prepared by: Dr. Pamela Gent, Associate Vice President Academic Affairs

Implementation date: Fall 2018

Date approved by Council of Trustees: July 20, 2017

**Clarion University of Pennsylvania
Bachelor of Science in Respiratory Care
Budget Narrative**

| ESTIMATED REVENUES | NARRATIVE/ASSUMPTIONS |
|--|---|
| ESTIMATED STUDENT IMPACT OF NEW PROGRAM | |
| Headcount Enrollment | Assumes 18 new students in year 1, growing to 25 new students by year 5. Clarion's healthcare programs historically have approximately 30 percent attrition over term of cohort. Headcount modeled at 20 percent in year 1 to year 2, and additional 10 percent from year 2 to year 3, for 30 percent overall. With rounding to create whole numbers of students, rates may range from 20-22 percent and 8-10 percent, respectively. |
| ESTIMATED REVENUE | |
| Tuition Generated | Calculations are based on a three-year program (six 15-week semesters and 12-week terms in two summers). |
| Instructional Support Fee | Calculations are based on a three-year program (six 15-week semesters and 12-week terms in two summers). |
| Additional Program Generated Revenue | See Other (1) and Other (2) |
| External Grants & Contracts | Also, year 1 will use existing Clarion University Foundation, Inc. dollars for year 1 BiPap, and will complete outlet upgrade through Facilities budget. Year 2, will pursue identified alumni donor for Oximetry and Capnography. If donor support does not materialize, there are adequate funds presently on deposit in the Clarion University Foundation, Inc. - Venango Campus Improvement Fund that can be used to cover this expense. |
| Other (1) | Includes Clarion's \$36.30 per credit fee for respiratory care and science courses. Assumption is that 50 percent of the credit production qualifies for this additional fee. |
| Other (2) | Student Support Revenue Fee (Venango Campus fee) for Fall and Spring, calculated as 13 percent of tuition. |
| Other (3) | Summer Tuition & ISF (modeling 10 credits per FT and 6 credits per PT at per credit at \$312 tuition and ISF per credit of \$33.20 plus 13 percent Student Support Revenue Fee calculated on the tuition portion. |
| ESTIMATED EXPENSES | |
| Salaries and Benefits - Faculty | Year 1: Used 50 percent of current respiratory care faculty assuming half of load is attributable to new degree. Current faculty include 1 FT Instructor Step 3 and 1 FT Instructor Step 1. Year 2: Used 100 percent of current respiratory care faculty plus temporary, part-time respiratory care faculty 25 percent in fall semesters, 50 percent in spring semesters, and 20 percent in summer. Current faculty are 1 FT Instructor Step3 and 1 FT Instructor Step 1. The PT faculty are Instructor Step 1. Year 3: Additional temporary, part-time faculty to cover new "third year" with similar loads to Year 2. The additional PT faculty is Instructor Step 1. Year 4: Additional 25 percent temporary part-time faculty for PT growth. The additional PT faculty is Instructor Step 1. |

| | |
|---|--|
| | Budget calculations also include 12-credit summer loads for both the Program Director and the Clinical Director. |
| Salaries and Benefits (Staff, Grad Asst Stipend/ Waiver, Teaching Assistants, etc.) | Program will be supported by existing .5 FTE Clerk Typist II. Used .25 FTE in Year 1 for new program, and full .5 FTE in Year 2-5 |
| Learning Resources | Ventilator Simulation software upgrade. |
| Instructional Equipment | BiPAP machine upgrade in year 1; Oximetry and capnography monitoring equipment in year 2 |
| Facilities and/or modifications | Installation of 4 high-pressure compressed air wall outlets (50 PSI). Will reuse existing classroom space to accommodate program growth. |
| Administrative Expense | 20 percent of the tuition, instructional support fee, and additional program generated revenue is added to the expenses. |
| Other | CoARC Annual Accreditation Fee |

**Clarion University of Pennsylvania
Bachelor of Science in Respiratory Care
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 |
| In-state Full-Time Headcount Enrollment | | 17 | 13 | 17 | 25 | 21 | 29 | 21 | 32 | 23 |
| Out-of-state Full-Time Headcount Enrollment | | 1 | 1 | 1 | 2 | 1 | 2 | 1 | 2 | 2 |
| In-state Part-Time Headcount Enrollment | | | | 9 | 7 | 12 | 10 | 15 | 12 | 20 |
| Out-of-state Part-Time Headcount Enrollment | | | | 1 | 1 | 3 | 2 | 5 | 4 | 5 |
| Projected Annual Credits Generated | 720 | | 1460 | | 2374 | | 2696 | | 3098 | |
| Estimated Revenue | | | | | | | | | | |
| Tuition Generated | \$138,602 | | \$305,916 | | \$517,594 | | \$605,666 | | \$709,948 | |
| Instructional Support Fee | \$14,720 | | \$32,532 | | \$55,121 | | \$64,578 | | \$75,726 | |
| External Grants & Contracts | \$5,500 | | \$15,000 | | | | | | | |
| Other (1) | | \$13,068 | | \$26,499 | | \$43,088 | | \$48,932 | | \$56,229 |
| Other (2) | | \$18,018 | | \$39,769 | | \$67,287 | | \$78,737 | | \$92,293 |
| Other (3) | | \$69,479 | \$54,039 | \$92,639 | \$122,777 | \$118,658 | \$147,450 | \$131,239 | \$168,294 | \$152,162 |
| Estimated Total Revenue | \$259,387 | | \$566,394 | | \$924,525 | | \$1,076,602 | | \$1,254,652 | |
| Estimated Expenses | | | | | | | | | | |
| Estimated Expenses | Year 1 | | Year 2 | | Year 3 | | Year 4 | | Year 5 | |
| | Existing | New | Existing | New | Existing | New | Existing | New | Existing | New |
| Salaries and/or benefits - Faculty (1FT Instructor 3, 1FT Instructor 1, 2PT Instructor 1) | \$92,422 | | \$220,131 | \$26,539 | \$246,670 | \$26,539 | \$273,209 | \$7,626 | \$280,835 | |
| Salaries and/or benefits - Staff | | \$16,819 | \$16,819 | \$16,819 | \$33,638 | | \$33,638 | | \$33,638 | |
| Learning Resources | | \$5,000 | | \$0 | | \$7,500 | | | | |
| Instructional Equipment | | \$3,000 | | \$15,000 | | | | | | |
| Impact to additional non-major course sections (e.g. General Education) | | \$72,000 | | \$92,000 | | \$118,000 | | \$128,000 | | \$150,000 |
| New Facilities and/or Modifications to existing facilities | | \$2,500 | | | | | | | | |
| Administrative Expense | \$30,664 | | \$67,690 | | \$114,543 | | \$134,049 | | \$157,135 | |
| Other | | \$2,000 | \$2,100 | | \$2,200 | | \$2,300 | | \$2,400 | |
| Estimated Total Expenses | \$224,405 | | \$457,098 | | \$549,090 | | \$578,822 | | \$624,008 | |
| Estimated Financial Impact of New Program | \$34,982 | | \$109,296 | | \$375,435 | | \$497,780 | | \$630,644 | |

Academic and Student Affairs Committee Meeting
October 18-19, 2017

SUBJECT: Approval of a Bachelor of Fine Arts in Acting at Slippery Rock University of Pennsylvania (ACTION)

UNIVERSITIES AFFECTED: Slippery Rock University of Pennsylvania

BACKGROUND: In accordance with Board of Governors *Policy 1985-01-A: Requirements for Initiation or Change of Credit-Based Academic Programs*, with the approval of the Council of Trustees at Slippery Rock University of Pennsylvania to bring this proposed program forward for approval by the Board of Governors of Pennsylvania's State System of Higher Education, and upon recommendation of the Chancellor, the following motion is put forth.

MOTION: That the Board of Governors approve a Bachelor of Fine Arts in Acting at Slippery Rock University of Pennsylvania

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

Other Supporting Documents Available: Degree Proposal; Board of Governors Policy 1985-01-A: *Requirements for Initiation or Change of Credit-Based Academic Programs*.

Approved to move forward by Slippery Rock Council of Trustees: October 6, 2017

Prepared by: Kathleen M. Howley

Telephone: (717) 720-4200

Executive Summary of Degree Proposal
Bachelor of Fine Arts in Acting
Slippery Rock University of Pennsylvania
October 18-19, 2017

1) Brief Description of Program and Appropriateness to Mission

The proposed 120 credit Bachelor of Fine Arts in acting, with two areas of concentration in Theatre Performance and Musical Theatre Performance, will target a diverse student population interested in affordable, four-year focused, conservatory-style training programs in acting or musical theatre performance that are housed within a traditional liberal arts setting. The proposed program of study not only will provide an excellent, well-rounded education in all aspects of theatre, but also will also provide rigorous professional training in the skills needed by students who desire to enter directly into the competitive fields of regional theatre and musical theatre upon completion of their baccalaureate degree.

Musical theatre is the fastest-growing and most financially lucrative area of the theatre world, and consequently musical theatre training is in high demand among prospective students. A student professionally trained in musical theatre has a wide array of employment options, including not only Broadway, but also the hundreds of touring musical productions crisscrossing the country each year, as well as cruise ships, dinner theatres, theme parks, and international theatre productions. Excelling as a performer in musical theatre requires highly specialized training in acting, singing, and dancing—the kind of training that can be credibly offered only in a focused conservatory-style BFA program. A strong demand also exists for actor training in non-musical theatre. Many theatre students enter college with an express desire to work in “regional theatre”—the umbrella term for the nation’s network of over 2,000 non-profit urban theatres and Shakespeare festivals—and these students often have little interest in music and dance training. It is a focused, conservatory-style BFA program in acting that provides the necessary physical and vocal training, as well as the thorough and rigorous immersion in current acting technique that the profession requires.

All BFA acting students, regardless of choice of concentration, will be required to complete the 50-credit core, which provides a solid foundation in acting skills, as well as vocal and movement styles and practices. Additionally, all BFA students will get an introduction to dance through DANCE 120, Exploring Dance, taught through the nationally ranked Slippery Rock Dance Department.

In the 28-credit Theatre Performance concentration, students will continue to hone their skills in advanced acting techniques, dialects, and auditioning skills. They will have the opportunity to tailor their education by choosing from concentration options that allow them to gain additional training in arts administration, voice, dance, new play development, and touring theatre. They will also complete advanced studies in the history of theatre.

In the 28-credit Musical Theatre Performance concentration, students will continue to hone their skills in musicianship and theory, intermediate/advanced dance techniques, advanced vocal training, and musical auditioning skills. They will also complete advanced studies in the history of musical theatre.

This degree aligns with the Slippery Rock mission by transforming the intellectual, social, physical, and leadership capacities of students seeking professional careers as actors, both in the field of theatre performance and musical theatre performance in a rigorous, nationally accredited program within a strong liberal arts institution. It will focus on a diverse student body, focusing recruitment efforts primarily from the surrounding 150-mile region and open to regional, national, and international students.

The new BFA in acting will offer strong training that will equip and empower actors in both theatre performance and musical theatre performance. It also will utilize talented and nurturing faculty and staff—both currently employed, as well as requisite new hires—who are connected to the professional theatre community and who will employ cutting edge pedagogical and performance techniques. Students also will learn and perform in the proposed new state-of-the-art performance venues in Miller Auditorium and the Pearl K. Stoner building. The current Theatre Department programs are accredited by the National Association of Schools of Theatre [NAST; <https://nast.arts-accredit.org/>] and we will seek full program approval for the BFA in Acting based on this experience.

The BFA Acting program will create a synergistic link among existing programs in the arts. In addition, the new program is expected to grow enrollments in existing arts and general education courses. Finally, the BFA Acting degree will enhance the already strong reputations of the arts programs at Slippery Rock University. All programs in the arts including theatre, dance, art, and music are professionally accredited.

2) Need

The proposed BFA in acting degree at Slippery Rock University will be unique in the State System in that it will be the only NAST-accredited, BFA in acting professional training program. Further distinction will come from the concentrations in theatre performance and musical theatre performance, which will allow students to choose the type of acting career they want to pursue. It will be the only theatre program in the System, and one of only a few in the country, with a focused goal on training students in and producing contemporary musical theatre. It will also be an affordable and accessible alternative to many of the other programs offered across the state, the region, and the United States.

Based on ‘average annual employment’, the top 3 counties in Pennsylvania providing employment in the ‘Theatre Companies and Dinner Theatres’ industry are Lancaster, Philadelphia, and Allegheny, with Lancaster and Philadelphia ranking #16 and #17 nationally. Pennsylvania ranks 6th in the nation in terms of the average number of jobs (4,400 jobs) available via performing arts companies (NAICS 7111) and 7th in the nation in terms of the number of annual establishments (353 companies) providing these jobs.

Slippery Rock intends that the appeal of this program not only will draw from students in the university’s 150-mile radius in Western Pennsylvania, but also will appeal to students on a state and national level. The following chart shows representative demand for programs of this type. Of particular note is the number of applicants compared to acceptances, which indicates that demand outweighs availability.

| Professional Musical Theatre application information from similar national programs | | | | | |
|--|-------------------|-----------------|-------------------|-----------------|---------------------|
| School | Applicants | Accepted | Admit rate | In-state | Out-of-state |
| Leon University | 400+ | 22 | 5% | 25% | 75% |
| James Madison Univ. | 180 | 14 | 7% | 60% | 40% |
| Webster University | 400+ | 18 | 4.5% | 25% | 75% |
| Wright State (OH) | 415+ | 13 | 3% | 40% | 60% |
| Univ. of Northern Colorado | 400+ | 22 | 5.5% | 35% | 65% |
| Reported by NAST consultant, David Grapes, 2017 | | | | | |

In fact, many of these programs report seeing much higher initial application rates (as many as 1,200 to 1,500 initial applicants). The numbers listed above represent programs that primarily utilize a pre-screening tool to narrow their audition pool.

3) Collaboration/Cooperation/Partnerships

At Slippery Rock, the Department of Theatre has been consistently engaged in coordinating with the Department of Music and the Department of Dance. At the beginning planning stages, one faculty member from each department was invited to be part of the BFA planning committee, and those two faculty members have been involved in the planning and in acting as consultants throughout the proposal process. Because of the synergies among the programs, all will be involved after the program begins to ensure a positive and educational sound experience for students. In addition, some shows will offer opportunities for community members to perform and participate in productions, which will foster engagement with other system schools and the regional community.

The Department of Theatre has active internship agreements with City Theatre-Pittsburgh, Erie Philharmonic, Pittsburgh Symphony Orchestra, and The Hoyt Center for the Arts and will continue to maintain these relationships. The department also in the process of forging a professional relationship with the Strand Theatre in Zelienople, Pennsylvania.

4) Resource Sufficiency

The BFA Acting degree program will attract a new student demographic to the Slippery Rock University campus, generating additional tuition and fee revenue. Implementation of the BFA Acting program is projected to increase overall undergraduate enrollment and not drain enrollments from existing programs in the department. Miller Auditorium, which is already scheduled to undergo extensive renovations, will house the BFA Acting program; as such, no significant facilities renovations other than what already is occurring are required to support the new program. Smaller acquisitions include the following:

- Two dedicated 8' X 12' sound-proofed vocal practice rooms – \$6,000
- Two electronic keyboards, Midi equipment, amplifiers – \$4,700.
- Two upright pianos in the studio theatre and rehearsal studio – \$10,000
- Dance mirrors for the primary rehearsal room – \$3,600
- Wireless microphones/body microphones and related equipment – \$1,700

A new full-time faculty member at Assistant Step 5 will be hired to begin the program. Existing faculty will support the program beginning at .25 FTE in year one, increasing to .75 FTE in year two and full-time in year three. In addition, the program will require an additional .50 FTE faculty member to teach in the BFA Acting program.

The program will require the hiring of a .25 FTE faculty member at Instructor Step 5 to teach dance starting in year two. A full-time voice faculty member hired at Assistant Step 2 will teach in the program starting with the spring semester of year two.

The program will also require the hiring of a costume coordinator (SUA 1) that will be shared between existing Theatre and Dance productions. It will be necessary to increase the department's clerical position from a ten-month .50 FTE position to a ten-month full-time position. The BFA Acting degree will also require the services of a choreographer, accompanist and a vocal director that will be paid on a per hour basis.

Unrestricted net assets will be used to finance the program until it becomes self-sustaining in year four.

Prepared by: Mary Hennessey, Assistant to Provost

Implementation date: Fall 2019

Date approved by Council of Trustees: October 6, 2017

**Slippery Rock University of Pennsylvania
Bachelor of Fine Arts in Acting
Budget Narrative**

| ESTIMATED REVENUES | NARRATIVE/ASSUMPTIONS |
|--|---|
| ESTIMATED STUDENT IMPACT OF NEW PROGRAM | |
| Headcount Enrollment | The Bachelor of Fine Arts in Acting is projected to enroll 22 new full-time resident and two non-resident students in year one. Enrollment is projected to reach 89 students by year five with 27 new students and 62 continuing students. University persistence rates are used to calculate yearly progression for continuing students: 82.4 percent to year two, 74.1 percent to year three, 68.3 percent to year four and 18.1 percent to year five. |
| ESTIMATED REVENUE | |
| Tuition Generated | Tuition is calculated using the 2017-18 tuition rates for resident and nonresident undergraduate students. |
| Instructional Support Fee | The Slippery Rock University Academic Enhancement fee, approved by the Council of Trustees, for undergraduate students is 10 percent of resident tuition up to a maximum of 12 credit hours. |
| Additional Program Generated Revenue | A program fee with the option to increase with the rate of tuition will be assessed at \$230 per semester per full-time enrolled student. The program fee will be used to offset the additional positions needed to support the program such as the accompanist, choreographer and costumer coordinator and the costs associated with the senior showcase. An analysis of existing BFA Acting programs indicate an array of program fees ranging from \$300 per semester at Penn State, \$375-\$625 per semester at Kent State, \$420 per semester at West Virginia University and \$108 per semester at Youngstown State University. |
| External Grants & Contracts | No external grants or contracts are anticipated. |
| Other | The new program investment account will provide funding until the program reaches breakeven (\$155,013 in year one, \$128,188 in year two and \$119,914 in year three). |
| ESTIMATED EXPENSES | |
| Salaries and Benefits - Faculty | <p>Faculty salary costs are based on the current APSCUF collective bargaining agreement, expiring June 30, 2018. Benefit costs are calculated using the alternative retirement plan.</p> <p>A new full-time faculty member will be hired in year one of program at Assistant – Step 5 with a 46 percent fringe benefit rate. Existing faculty at an average rank of Associate – Step 13 with 41percent fringe benefit rate will teach in the program beginning at .25 FTE in year one, .75 FTE in year two and increasing to full-time in year three. Depending upon enrollments, it may be necessary to backfill some or all of this position to teach existing courses in the BA degree program.</p> <p>In year three, a new .50 FTE faculty member will be hired at Instructor – Step 5 with a 35 percent fringe benefit rate to teach in the program.</p> |

| | |
|--|--|
| | <p>A new dance faculty member (.25 FTE) will be hired in year two starting in the spring semester at Assistant – Step 2 with an 18 percent fringe benefit rate.</p> <p>A new voice faculty member will be hired in year two of the program at Assistant – Step 2 with a 51 percent fringe benefit rate to teach one-half time in the program during year two and increase to full-time in year three.</p> <p>The costume coordinator be dual employed and will teach one course in the program each year at Instructor – Step 1 with an 18 percent fringe benefit rate.</p> |
| Salaries and Benefits (Staff, Grad Asst Stipend/ Waiver, Teaching Assistances, etc.) | <p>In the spring semester of the first year of the program, the existing half-time clerical position in Theatre will increase to full-time to accommodate the program. Staff costs are based on the current AFSCME contract, expiring June 30, 2019.</p> <p>A full-time costume coordinator (SUA 1) with a 75 percent fringe benefit rate will be hired in year one to support productions in Musical Theatre (2), Theatre (3) and Dance (2) with 25 percent of the position’s cost allocated to this program. All staff benefit rates assume state retirement.</p> <p>The Bachelor of Fines Arts Degree in Acting will require the employment of several part-time, temporary positions hired as a SUA at Step 1. The employees will provide accompanist, choreography and vocal directing services at an hourly rate of \$20.76 and a benefit rate of 7.65 percent. It is anticipated the hours will total 585 in year one, 870 in year two, 795 in year three and 885 in years four and five.</p> |
| Learning Resources | Learning resources include \$7,000 for increased royalties and \$3,000 for master class honorariums. Year four includes \$10,000 to support the senior showcase. Other royalty, set and costume costs will be self-funded through ticket sales. |
| Instructional Equipment | The program will require the purchase of equipment to begin the program. The purchases include two electric keyboards (\$4,700), two pianos (\$10,000), mirrors (\$3,600) and wireless microphones (\$1,700). |
| Facilities and/or modifications | Two sound-proof rooms will need to be constructed at a cost of \$6,000. |
| Impact to additional non-major course sections (e.g. General Education) | For all baccalaureate programs, a \$4,000 expense is calculated for each <u>new</u> full-time student. For each <u>new</u> part-time student, a \$2,000 expense is included in the calculations. |
| Administrative Expense | Administrative expenses are calculated at 20 percent of tuition and academic support fee revenue. |
| Other | Marketing expenses are budgeted at \$10,000 per year. New faculty travel and equipment expenses are budgeted at \$2,500 in years one and four, and \$500 in the remaining years. |

**Slippery Rock University of Pennsylvania
Bachelor of Fine Arts in Acting
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 |
| In-state Full-Time Headcount Enrollment | | 22 | 18 | 21 | 33 | 22 | 49 | 22 | 48 | 22 |
| Out-of-state Full-Time Headcount Enrollment | | 2 | 2 | 3 | 3 | 4 | 6 | 5 | 9 | 5 |
| In-state Part-Time Headcount Enrollment | | | | | | | | | | |
| Out-of-state Part-Time Headcount Enrollment | | | | | | | | | | |
| Projected Annual Credits Generated | 720 | | 1320 | | 1860 | | 2460 | | 2520 | |
| Estimated Revenue | | | | | | | | | | |
| Tuition Generated | \$187,300 | | \$348,378 | | \$490,726 | | \$655,550 | | \$681,772 | |
| Instructional Support Fee | \$17,981 | | \$32,965 | | \$46,450 | | \$61,434 | | \$62,933 | |
| Program Fee | \$11,040 | | \$20,240 | | \$28,520 | | \$37,720 | | \$38,640 | |
| Other - New Program Reserves | \$155,013 | | \$128,188 | | \$119,914 | | \$0 | | \$0 | |
| Estimated Total Revenue | \$371,334 | | \$529,771 | | \$685,611 | | \$754,705 | | \$783,345 | |
| Estimated Expenses | | | | | | | | | | |
| Estimated Expenses | Year 1 | | Year 2 | | Year 3 | | Year 4 | | Year 5 | |
| | Existing | New | Existing | New | Existing | New | Existing | New | Existing | New |
| Salaries and/or benefits (faculty and staff, grad assistant stipend/waiver) | | \$141,960 | \$141,960 | \$134,625 | \$276,585 | \$116,002 | \$392,587 | \$0 | \$392,587 | \$0 |
| Salaries and/or benefits (faculty and staff, grad assistant stipend/waiver) | | \$43,818 | \$43,818 | \$16,599 | \$60,418 | \$670 | \$61,088 | \$2,011 | \$63,099 | |
| Learning Resources | | \$10,000 | \$10,000 | | \$10,000 | | \$10,000 | \$10,000 | \$20,000 | |
| Instructional Equipment | | \$20,000 | | | | | | | | |
| Impact to additional non-major course sections (e.g. General Education) | | \$96,000 | | \$96,000 | | \$104,000 | | \$108,000 | | \$108,000 |
| New Facilities and/or Modifications to existing facilities | \$6,000 | | | | | | | | | |
| Administrative Expense | \$41,056 | | \$76,269 | | \$107,435 | | \$143,397 | | \$148,941 | |
| Other | | \$12,500 | \$10,500 | | \$10,500 | | \$10,500 | \$2,000 | \$10,500 | |
| Estimated Total Expenses | \$371,334 | | \$529,771 | | \$685,611 | | \$739,584 | | \$743,128 | |
| Estimated Financial Impact of New Program | \$0 | | \$0 | | \$0 | | \$15,121 | | \$40,217 | |

Academic and Student Affairs Committee Meeting
October 18-19, 2017

SUBJECT: Roundtable Discussion: The Career Development Ecosystem (DISCUSSION)

UNIVERSITIES AFFECTED: ALL

BACKGROUND: The Board will participate in a discussion led by representatives from Edinboro University and the State System regarding the university's approach to what is known as "the ecosystem model" of career development.

Recent studies based on data from the World Economic Forum and the McKinsey Global Institute reveal that millennials and the generation behind them could have as many as 17 jobs in five industries over the course of their lifetime.ⁱ The ecosystem model of career development is an important component in student retention. Having career goals is a significant predictor of persistence in college.ⁱⁱ

According to the 2016 National Freshman Attitudes Report by Ruffalo-Noel Levitz, 69 percent of incoming traditional-age students would like help in selecting an educational plan that will help prepare them to get a good job.ⁱⁱⁱ Career and professional development integrated into each stage of the student lifecycle maximizes student success.

Data from the National Center for Education Statistics shows that over 70 percent of college students change their major at least once, and only 27 percent of bachelor's degree holders work in fields directly related to their major.^{iv} The same report indicated that nearly half of incoming freshmen would like help in selecting an occupational path that is well suited to their individual interests and abilities. According to the 2017 ACT College and Career Readiness Report, fewer than 30 percent of incoming freshmen were likely to demonstrate foundational work readiness skills needed for 93 percent of jobs profiled in the ACT JobPro database, indicating that early career planning is needed at the college level.^v

Career assessment tools may begin as early as the inquiry stage of admissions with students and their families to provide an in-depth look into the individual strengths and traits of the student and insight into the best career pathways for her/his personality. Data from such tools assist in identifying potential "red flags" and help career and student success staff provide early intervention career counseling/coaching when appropriate for students who are undeclared as well as students who have declared majors.

According to Jeff Selingo, author of *There is Life After College*, nearly half of American jobs are at risk from automation and artificial intelligence, underscoring the importance of developing transferable professional skills and lifelong learning. Colleges should focus less on precise occupational goals and more on career pathways that are aligned with student interests and motivations.

Getting students on a well-matched educational and career pathway early allows for further development in the areas of service and experiential learning, global education, resume writing, interviewing, and professionalism tools. Introducing these tools to students throughout their educational experience creates an ecosystem of career development integrated into the

academic and co-curricular experience. Students who engage with these tools early and often from multiple points throughout their university experience will be better prepared to navigate an increasingly complex job market, which is the ultimate goal. It is important to note that job growth and expansion will occur at rates never before seen during the 21st Century.^{vi}

Students who graduate from the State System must be positioned to lead full, rich lives and support the growth and development of the Commonwealth. One's career path is an important determinant of the ability to lead a full life.

References:

- i. <https://www.academicimpressions.com/preparing-students-to-lose-their-jobs-and-faculty-to-keep-theirs/>
- ii. <http://studentsuccess.umd.edu/advisors&faculty/Cuseo.pdf>
- iii. http://learn.ruffalonl.com/rs/395-EOG-977/images/2015_National_Freshman_Attitudes_Report.pdf
- iv. https://nces.ed.gov/pubs2014/2014041_2.pdf
- v. http://www.act.org/content/dam/act/unsecured/documents/cccr2017/CCCR_National_2017.pdf
- vi. <https://www.mckinsey.com/global-themes/employment-and-growth/technology-jobs-and-the-future-of-work>

Supporting Documents Included: N/A

Other Supporting Documents Available: N/A

Prepared by: Kathleen M. Howley

Telephone: (717) 720-4200



Consent Agenda

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

October 18-19, 2017

NOTE: Board members who wish to discuss any item(s) listed below should request the item(s) to be moved from the Consent Agenda to the regular agenda prior to the Board’s vote.

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| 7c. Office of Internal Audit and Risk Assessment (OIARA) Quarterly Update..... | 24 |
| 7d. Finance, Administration, and Facilities action items | |
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| b. Fiscal Year 2017/18 Capital Spending Plan and Capital Budget Authorization..... | 49 |
| c. Demolition of Various Buildings, Millersville University of Pennsylvania | 52 |
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| 7e. Academic and Student Affairs Committee action items (see ASA Committee section for materials – pages 5-19) | |
| a. Approval of a Bachelor of Science in Respiratory Care at Clarion University of Pennsylvania..... | 6 |
| b. Approval of a Bachelor of Fine Arts in Acting at Slippery Rock University of Pennsylvania..... | 13 |

PENNSYLVANIA'S STATE SYSTEM OF HIGHER EDUCATION



Board of Governors Standing Committee Assignments

Academic and Student Affairs

Jonathan B. Mack (*Chair*)
Senator Ryan P. Aument
Audrey F. Bronson
Representative Michael K. Hanna
Shaina M. Hilsey
Barbara McIlvaine Smith
Pedro A. Rivera, Secretary of Education
Senator Judith L. Schwank
Cynthia D. Shapira (*ex officio*)
John M. Anderson (*nonvoting president liaison*)

Audit

Thomas S. Muller (*Chair*)
Daniel P. Meuser
Senator Judith L. Schwank
Cynthia D. Shapira (*ex officio*)
Harold C. Shields
H. Fred Walker (*nonvoting president liaison*)

Finance, Administration, and Facilities

David M. Maser (*Chair*)
Representative Matthew E. Baker
Secretary Sarah E. Galbally (*Governor Wolf's designee*)
Daniel P. Meuser
Thomas S. Muller
Guido M. Pichini
Cynthia D. Shapira (*ex officio*)
Brian H. Swatt
Marcia G. Welsh (*nonvoting president liaison*)

Human Resources

Harold C. Shields (*Chair*)
Donald E. Houser, Jr.
David M. Maser
Cynthia D. Shapira (*ex officio*)
Bashar W. Hanna (*nonvoting president liaison*)

Executive

Comprised of Board Officers and the Chair of each Standing Committee

Updated: October 13, 2017

Board of Governors Meeting

October 18-19, 2017

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

UNIVERSITIES AFFECTED: All

BACKGROUND: The Office of Internal Audit and Risk Assessment's (OIARA) Fiscal Year 2017/18 work plan details 28 individual projects. Additionally, four carryover engagements and three special projects were ongoing as of June 30, 2017, carrying forward for completion in the current fiscal year. Activities of the department including details of progress made in support of project initiatives are detailed in the *OIARA Fiscal Year 2017/18 – First Quarter Update* (attached).

Supporting Documents Included: Office of Internal Audit and Risk Assessment, Fiscal Year 2017/18 – First Quarter Update

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

Reviewed by: N/A

Prepared by: Dean A. Weber

(717) 720-4243

Office of Internal Audit and Risk Assessment Fiscal Year 2017/18 – First Quarter Update

Summary

The Office of Internal Audit and Risk Assessment's (OIARA) fiscal year 2017/18 internal audit work plan defines twenty-eight individual projects. Additionally, seven engagements ongoing as of June 30, 2017, carried forward providing a total of thirty-five initiatives for completion in the current fiscal year.

At the end of the first quarter, work concluded on eight engagements with eight additional projects currently underway. Separately, fifteen new case reports were received through the State System's Incident Reporting System for review and consideration during the period.

Projects Completed First Quarter Fiscal Year 2017/18

The OIARA accomplished progress in meeting defined initiatives of the fiscal year internal audit work plan. The following eight engagements concluded providing management with twenty-seven internal control recommendations.

| University | Project | Report Issued |
|-------------------|---|----------------------|
| Bloomsburg | Presidential Transition* | 07/31/17 |
| Lock Haven | Physical Access Management | 08/14/17 |
| Mansfield | Protection of Minors | 08/31/17 |
| Slippery Rock | Presidential Transition* | 09/08/17 |
| Indiana | Business Incubator/Management Services* | 09/12/17 |
| West Chester | Information Technology User Access | 09/14/17 |
| Mansfield | Presidential Transition* | 09/19/17 |
| Cheyney | Academic Degree Audit System* | 09/26/17 |

* Denotes Non-Work Plan, Special Project Engagement

Projects Underway at Close of First Quarter Fiscal Year 2017/18

At the close of the first quarter, project work remained underway on the following eight engagements.

| University | Project | Project Status |
|--------------------------|-----------------------------|---------------------------------------|
| Bloomsburg | Jeanne Clery Act Compliance | Draft Report Development |
| Clarion | Instructional Cost Review | Fieldwork Underway |
| Clarion | Presidential Transition* | Draft Report Development |
| Edinboro | Facilities Access Controls | Fieldwork Planning |
| Mansfield | Jeanne Clery Act Compliance | Fieldwork Underway |
| West Chester | Facilities Access Controls | Fieldwork Underway |
| Office of the Chancellor | System-wide Purchasing Card | 4 th Qtr. FY16/17 Complete |
| Office of the Chancellor | Chancellor Transition* | Draft Report Development |

* Denotes Non-Work Plan, Special Project Engagement

Management Corrective Actions - OIARA Follow-up Assessments

The OIARA maintains a formalized process to follow-up on prior audit report recommendations provided to leadership and assess successful implementation of management correction action plans defined in management response to internal audit recommendations. During the first quarter fiscal year 2017/18, ongoing communication with university personnel occurred to document resolution and closure of nine prior internal audit report recommendations.

PASSHE Incident Reporting System

Concerns of employees, students, and others about the university communities and System operations regarding alleged matters of wrongdoing are important. The State System maintains an active Incident Reporting System as a means to confidentially identify situations perceived as inappropriate and provides an opportunity for appropriate review and consideration. During the first quarter of fiscal year 2017/18, fifteen new case reports were received through the Incident Reporting System as of September 30, 2017.

Other First Quarter Activities

- The Audit Committee of the Board of Governors met on October 5, 2017, with representatives of CliftonLarsonAllen LLP, the State System's contracted external public accounting firm. CliftonLarsonAllen LLP concluded an audit of the consolidated financial statements of the System, as of and for the year ended June 30, 2017. Based on their completed audit an unmodified opinion was issued, meaning the System's financial statements reflect a true and fair view of the organization and no material matters in financial reporting were identified.

Board of Governors Meeting

October 18–19, 2017

SUBJECT: Educational and General Financial Plans for Pennsylvania’s State System of Higher Education Entities (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: Act 188 of 1982 requires the Board of Governors to approve the financial plans for State System entities annually. This process is to be completed in accordance with the Board’s approval of the System’s appropriation request for the ensuing fiscal year.

The Educational and General (E&G) financial plans for each of the 14 universities and the Office of the Chancellor are presented in the attached pages. E&G financial plans support ongoing general academic, administrative, and physical operations; restricted (sponsored programs and most financial aid) and auxiliary (dining, housing, recreation centers, and student centers) activities are excluded.

The attached summaries include actual revenue and expenditures for the prior fiscal year, 2016/17, and anticipated revenue and expenditures for the current year, 2017/18. System universities were provided with instructions to develop their fiscal year 2017/18 E&G financial requirements, which include anticipated changes in salaries, benefits, and other cost categories. University financial plans vary from one another due to the unique nature of each university’s enrollment, employee complement, instructional offerings, physical plant, and strategic direction.

The Finance, Administration, and Facilities Committee will review the underlying assumptions regarding enrollment, human resources costs, and inflationary factors upon which the 2017/18 financial plans are built.

These university financial plans, along with 2018/19 university projections and other System-wide financial considerations, serve as the basis for the development of the System’s appropriation request, as presented in the Finance, Administration, and Facilities Committee Agenda Item #3.

MOTION: That the Board of Governors approve the attached Educational and General financial plans for State System entities for fiscal year 2017/18.

Supporting Documents Included: Educational and General Financial Plan Summaries for Pennsylvania’s State System of Higher Education Entities for fiscal years 2016/17 through 2017/18

Other Supporting Documents Available: N/A

Reviewed and Recommended by: Finance, Administration, and Facilities Committee, September 27, 2017

Prepared by: James S. Dillon

Telephone: (717) 720-4100

**Educational and General Financial Plan Summaries
for Pennsylvania's State System of Higher Education Entities**

*As Reviewed and Recommended by the Finance, Administration, and Facilities Committee on
September 27, 2017*

Act 188 of 1982 requires the State System's appropriation request to be developed based upon university needs. System universities were provided with instructions to develop their fiscal year 2017/18 and 2018/19 Educational and General (E&G) financial requirements, which include anticipated changes in salaries, benefits, and other cost categories, with the following exception. The collective bargaining agreement with the Security, Police, and Fire Professionals of America (SPFPA) expired August 31, 2017; and the agreement with Association of Pennsylvania State College and University Faculties (APSCUF) for faculty will expire June 30, 2018. As has been the case in prior years, no unknown pay adjustments have been addressed in these university estimates. (This is not to be viewed as a bargaining position.)

E&G financial plans support ongoing general academic, administrative, and physical operations; restricted (sponsored programs and most financial aid) and auxiliary (dining, housing, recreation centers, and student centers) activities are excluded. Universities provide actual cost for the prior year (2016/17) and estimates for the current year (2017/18) and request year (2018/19). University financial plans 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 financial plan request parameters.

Below are explanations of the enrollment, revenue, and expenditure expectations for System universities and the Office of the Chancellor for 2017/18, as submitted by the universities in September 2017 and reviewed by the Office of the Chancellor. Estimates provided for the request year (not included in this document) were used to develop the State System's 2018/19 appropriation request. A summary for each entity is provided at the end of this overview.

Enrollment Trends

Most System universities—like others in Pennsylvania—continue to experience enrollment declines with a corresponding adverse effect on tuition and fee revenues. The System's overall anticipated 2017/18 reduction of approximately 2,300 annualized full-time equivalent (FTE) students, or 2.4 percent, is consistent with preliminary fall 2017 enrollment statistics. For some System universities, this represents the eighth straight year of enrollment decline.

The declining number of high school graduates has been a contributing factor. Similar demographic trends have been occurring nationally as other states, especially in the Northeast, have been experiencing modest declines in high school graduates. In Pennsylvania, the number of high school graduates is expected to remain relatively stable in 2017 through 2019; however, experience varies significantly by county.

The decline in undergraduate enrollment has been partially offset by modest increases in graduate enrollment that have occurred in each of the last three years and are projected to continue. In 2010/11, the System's total enrollment peaked at approximately 112,000 FTE students, but has since declined by over 16,000 FTE students, or 15 percent, to the anticipated 2017/18 enrollment of approximately 95,200 FTE students.

University-specific FTE enrollment projections vary significantly, with the 2017/18 one-year change ranging from a 13.2 percent decrease at Mansfield University to a 0.9 percent increase at California University.

Financial Realignment

In the midst of declining enrollment, the State System's expenditure requirements continue to rise at rates that eclipse revenue projections. 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 2017/18 with a System-wide budgetary gap of approximately \$38 million, resulting from mandatory cost increases that exceed 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 workforce and structural program realignment require a multiyear approach.

Universities have incorporated these structural adjustments into their budgets in different ways, as they are at various stages in their planning processes. Some universities have reflected a Planned Use of Carryforward in 2017/18 as a one-time funding source while plans are being finalized for structural realignment.

Fiscal Year 2017/18 Highlights Revenue/Sources

Tuition—The Board of Governors approved a 3.5 percent tuition rate increase for fiscal year 2017/18. The 2017/18 tuition revenue projections reflect the combined effect of tuition rate increases and changes in enrollment, as highlighted above. In addition, tuition flexibility pilots are continuing to be implemented during fall 2017 at Indiana, Mansfield, and Shippensburg Universities. System-wide, tuition revenue is expected to increase \$16.9 million, or 1.9 percent, ranging from an 8.3 percent reduction at Mansfield University to a 4.8 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 \$50.6 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 that continue to be implemented in fall 2017 at California, Edinboro, and Slippery Rock Universities. University mandatory fee rates increased on average 5.1 percent. University fee practices vary significantly.

State Appropriation—The System's 2017/18 E&G appropriation of \$453.1 million represents a 2.0 percent increase over the prior year. The state appropriation is allocated to universities through two methods: approximately \$39.1 million will be distributed based upon performance; the remaining is distributed through the System's allocation formula. Performance funding awards for 2017/18 had not been determined before the completion of this document; each university's 2017/18 performance funds, included in its state appropriation, are estimated at the same proportion of the performance pool received by each university in 2016/17.

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. “All Other Revenue” for 2016/17 includes a \$9.1 million one-time healthcare settlement due to better than anticipated healthcare experience in 2015/16. A similar settlement is not anticipated in 2017/18; however, this has resulted in limited premium rate adjustments for both 2017/18 and 2018/19.

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 previous years, 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 in 2017/18 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 with the exception of two universities, there is no Planned Use of Carryforward in 2016/17, 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. The two universities that included Planned Use of Carryforward funds in 2016/17 used the funds for one-time, specific strategic projects.

Expenditures/Transfers

Compensation—Universities estimate budgeted FTE positions based upon known complement and anticipated vacancies. Given the continuing budget challenges, most positions vacated during 2016/17 were either frozen or eliminated. Most System universities are planning to fill key positions in 2017/18, with a net increase in funded positions at eight universities. In total, 10,919 E&G FTE positions are budgeted for 2017/18, representing an increase of 12.58 FTE positions over the 2016/17 actual complement. This fall, the System is employing approximately 1,000 fewer permanent employees than eight years ago (fall 2009). The 2017/18 change in E&G employees ranges from a reduction of 15 FTE positions at Clarion University to an increase of 24 FTE positions at Slippery Rock University, primarily for permanent faculty and other administrative personnel in support of enrollment increases and the implementation of new academic programs.

Compensation adjustments have been incorporated in the 2017/18 estimates for all known requirements. Employee benefits allow multiple choices for healthcare 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 2017/18 represents the second year of a contract with most bargaining units and incorporates various combinations of increment increases, cash payments, and general pay increases. Changes to university-budgeted complement resulting from retirements, enrollment changes, accreditation requirements, and efficiency and productivity efforts, combined with the compensation adjustments result in an average salary and wage increase of 2.7 percent.

Benefits—The vast majority of System employees are enrolled in either the System's healthcare program or the Commonwealth's Pennsylvania Employees Benefit Trust Fund (PEBTF) program for health benefits. Beginning in January 2016, nonrepresented employees and employees in the Office of Professional Employees International Union Healthcare Pennsylvania (OPEIU) and the Security, Police, and Fire Professionals of America (SPFPA) unions experienced a change in the design of the System's program that includes deductibles and co-insurance. Similar changes were experienced in January 2017 by members of the Association of Pennsylvania State College and University Faculties (APSCUF) union, which represents the university faculty and coaches. These plan changes helped reduce the healthcare costs to the System over the last two years. The System's 2017/18 employer rates increased 1.2 percent for the faculty and coaches and increased 1.7 percent for all other groups, while the PEBTF employer rates reflected in the AFSCME agreement increased 4.0 percent. The System's retiree healthcare rates decreased 1.0 percent, while the Commonwealth's retiree healthcare rates decreased 17.1 percent. The most common rates for the State Employees' Retirement System (SERS) and Public School Employees' Retirement System (PSERS), in which 46 percent of the System's employees participate, increased approximately 15 percent and 9 percent, respectively. In total, employee benefits expenses are projected to increase 5.4 percent.

Student Financial Aid—In April 2014, the Board of Governors amended Board of Governors' 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 the financial plan summary. Significant growth in the use of institutional unrestricted resources for student aid is reflected in 2017/18, corresponding with the flexibility provided by Board policy and expectations regarding affordability of alternative pricing strategies. E&G student aid expenditures in 2017/18 are projected to grow \$5.5 million, or 11.4 percent, and vary significantly by university.

Utilities—Each university's utilities costs vary widely, depending on the mix of utilities (gas, coal, oil, and electricity), local providers, contractual obligations, usage, energy savings projects, and changes in space. Fiscal year 2016/17 included savings in natural gas and electricity rates that are not anticipated to be realized again in 2017/18. In addition, the cogeneration plant at IUP will undergo some major maintenance projects, and two universities anticipate material changes to their overall campus square footage. Fiscal year 2017/18 utilities costs, reflecting anticipated rate increases, are estimated to increase an average of 2.5 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 2017/18, other service and supply expenditures are expected to increase 7.8 percent on average. Most of these increases are one-time activities

associated with designated one-time fund sources, including Planned Use of Carryforward funds; 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.

Board of Governors Financial Plan Summary
 Bloomsburg University of Pennsylvania

| Educational and General Budget | | | | |
|--|----------------------|----------------------|---------------------|-----------------------|
| Revenue/Sources | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Tuition | \$80,524,731 | \$80,174,165 | (\$350,566) | -0.4% |
| Fees | 22,462,318 | 22,467,957 | 5,639 | 0.0% |
| State Appropriation | 36,245,991 | 37,059,188 | 813,197 | 2.2% |
| All Other Revenue | 6,145,490 | 5,524,764 | (620,726) | -10.1% |
| Planned Use of Carryforward | 887,490 | 5,478,755 | 4,591,265 | 517.3% |
| Total Revenue/Sources | \$146,266,020 | \$150,704,829 | \$4,438,809 | 3.0% |
| Expenditures and Transfers | | | | |
| Compensation Summary: | | | | |
| Salaries and Wages | \$72,050,842 | \$74,279,271 | \$2,228,429 | 3.1% |
| Benefits | 35,411,876 | 38,312,350 | 2,900,474 | 8.2% |
| Subtotal, Compensation | \$107,462,718 | \$112,591,621 | \$5,128,903 | 4.8% |
| Student Financial Aid | 2,656,350 | 3,115,554 | 459,204 | 17.3% |
| Utilities | 2,379,551 | 2,584,364 | 204,813 | 8.6% |
| Other Services and Supplies | 22,100,658 | 26,157,568 | 4,056,910 | 18.4% |
| Subtotal, All Services and Supplies | \$27,136,559 | \$31,857,486 | \$4,720,927 | 17.4% |
| Capital Expenditures and Transfers | 5,305,000 | 6,255,722 | 950,722 | 17.9% |
| Total Expenditures and Transfers | \$139,904,277 | \$150,704,829 | \$10,800,552 | 7.7% |
| Revenue/Sources Less Expenditures/Transfers | \$6,361,743 | \$0 | | |

| Annualized FTE Enrollment | | | | |
|----------------------------------|-------------------|-------------------|-----------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| In-State Undergraduate | 7,780.00 | 7,397.00 | (383.00) | -4.9% |
| Out-of-State Undergraduate | 828.00 | 803.00 | (25.00) | -3.0% |
| In-State Graduate | 477.00 | 491.00 | 14.00 | 2.9% |
| Out-of-State Graduate | 76.00 | 76.00 | 0.00 | 0.0% |
| Total FTE Enrollment | 9,161.00 | 8,767.00 | (394.00) | -4.3% |

| E&G FTE of Budgeted Positions | | | | |
|--|-------------------|-------------------|---------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Faculty | 485.37 | 490.75 | 5.38 | 1.1% |
| AFSCME | 323.45 | 321.95 | (1.50) | -0.5% |
| Nonrepresented | 110.12 | 111.12 | 1.00 | 0.9% |
| SCUPA | 61.13 | 63.13 | 2.00 | 3.3% |
| All Other | 60.27 | 59.77 | (0.50) | -0.8% |
| Total FTE of Budgeted Positions | 1,040.34 | 1,046.72 | 6.38 | 0.6% |

Board of Governors Financial Plan Summary
California University of Pennsylvania

| Educational and General Budget | | | | |
|--|----------------------|----------------------|--------------------|-----------------------|
| Revenue/Sources | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Tuition | \$66,196,127 | \$69,108,343 | \$2,912,216 | 4.4% |
| Fees | 13,388,378 | 13,942,032 | 553,654 | 4.1% |
| State Appropriation | 31,454,063 | 31,828,158 | 374,095 | 1.2% |
| All Other Revenue | 5,094,218 | 4,906,500 | (187,718) | -3.7% |
| Planned Use of Carryforward | 0 | 0 | 0 | n/a |
| Total Revenue/Sources | \$116,132,786 | \$119,785,033 | \$3,652,247 | 3.1% |
| Expenditures and Transfers | | | | |
| Compensation Summary: | | | | |
| Salaries and Wages | \$56,622,054 | \$59,495,933 | \$2,873,879 | 5.1% |
| Benefits | 26,634,581 | 27,493,283 | 858,702 | 3.2% |
| Subtotal, Compensation | \$83,256,635 | \$86,989,216 | \$3,732,581 | 4.5% |
| Student Financial Aid | 3,428,711 | 5,100,000 | 1,671,289 | 48.7% |
| Utilities | 2,131,367 | 2,195,308 | 63,941 | 3.0% |
| Other Services and Supplies | 20,878,183 | 21,350,000 | 471,817 | 2.3% |
| Subtotal, All Services and Supplies | \$26,438,261 | \$28,645,308 | \$2,207,047 | |
| Capital Expenditures and Transfers | 5,950,550 | 4,150,509 | (1,800,041) | -30.2% |
| Total Expenditures and Transfers | \$115,645,446 | \$119,785,033 | \$4,139,587 | 3.6% |
| Revenue/Sources Less Expenditures/Transfers | \$487,340 | \$0 | | |

| Annualized FTE Enrollment | | | | |
|----------------------------------|-------------------|-------------------|---------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| In-State Undergraduate | 4,709.00 | 4,610.00 | (99.00) | -2.1% |
| Out-of-State Undergraduate | 558.00 | 542.00 | (16.00) | -2.9% |
| In-State Graduate | 1,270.00 | 1,374.00 | 104.00 | 8.2% |
| Out-of-State Graduate | 657.00 | 734.00 | 77.00 | 11.7% |
| Total FTE Enrollment | 7,194.00 | 7,260.00 | 66.00 | 0.9% |

| E&G FTE of Budgeted Positions | | | | |
|--|-------------------|-------------------|---------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Faculty | 315.50 | 321.25 | 5.75 | 1.8% |
| AFSCME | 188.12 | 188.30 | 0.18 | 0.1% |
| Nonrepresented | 81.18 | 86.87 | 5.69 | 7.0% |
| SCUPA | 52.06 | 52.00 | (0.06) | -0.1% |
| All Other | 56.27 | 55.83 | (0.44) | -0.8% |
| Total FTE of Budgeted Positions | 693.13 | 704.25 | 11.12 | 1.6% |

Board of Governors Financial Plan Summary
 Cheyney University of Pennsylvania

| Educational and General Budget | | | | |
|--|----------------------|----------------------|----------------------|-----------------------|
| Revenue/Sources | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Tuition | \$6,498,925 | \$6,345,286 | (\$153,639) | -2.4% |
| Fees | 1,430,763 | 1,588,857 | 158,094 | 11.0% |
| State Appropriation | 12,908,970 | 12,633,506 | (275,464) | -2.1% |
| All Other Revenue | 432,676 | 246,900 | (185,776) | -42.9% |
| Planned Use of Carryforward | 0 | 0 | 0 | n/a |
| Total Revenue/Sources | \$21,271,334 | \$20,814,549 | (\$456,785) | -2.1% |
| Expenditures and Transfers | | | | |
| Compensation Summary: | | | | |
| Salaries and Wages | \$9,789,945 | \$8,619,449 | (\$1,170,496) | -12.0% |
| Benefits | 4,492,664 | 3,983,323 | (509,341) | -11.3% |
| Subtotal, Compensation | \$14,282,609 | \$12,602,772 | (\$1,679,837) | -11.8% |
| Student Financial Aid | 640,253 | 600,000 | (40,253) | -6.3% |
| Utilities | 921,764 | 839,020 | (82,744) | -9.0% |
| Other Services and Supplies | 9,503,051 | 8,927,342 | (575,709) | -6.1% |
| Subtotal, All Services and Supplies | \$11,065,068 | \$10,366,362 | (\$698,706) | |
| Capital Expenditures and Transfers | 1,173,082 | 1,086,203 | (86,879) | -7.4% |
| Total Expenditures and Transfers | \$26,520,759 | \$24,055,337 | (\$2,465,422) | -9.3% |
| Revenue/Sources Less Expenditures/Transfers | (\$5,249,425) | (\$3,240,788) | | |

| Annualized FTE Enrollment | | | | |
|----------------------------------|-------------------|-------------------|----------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| In-State Undergraduate | 480.00 | 490.00 | 10.00 | 2.1% |
| Out-of-State Undergraduate | 233.00 | 178.00 | (55.00) | -23.6% |
| In-State Graduate | 23.00 | 26.00 | 3.00 | 13.0% |
| Out-of-State Graduate | 11.00 | 9.00 | (2.00) | -18.2% |
| Total FTE Enrollment | 747.00 | 703.00 | (44.00) | -5.9% |

| E&G FTE of Budgeted Positions | | | | |
|--|-------------------|-------------------|----------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Faculty | 66.42 | 64.72 | (1.70) | -2.6% |
| AFSCME | 22.13 | 16.52 | (5.62) | -25.4% |
| Nonrepresented | 13.77 | 11.93 | (1.83) | -13.3% |
| SCUPA | 7.23 | 6.82 | (0.41) | -5.7% |
| All Other | 16.59 | 15.85 | (0.74) | -4.5% |
| Total FTE of Budgeted Positions | 126.15 | 115.85 | (10.30) | -8.2% |

Note: University Council of Trustees has not yet approved FY 2017/18 budget.

Board of Governors Financial Plan Summary
Clarion University of Pennsylvania

| Educational and General Budget | | | | |
|--|---------------------|---------------------|--------------------|-----------------------|
| Revenue/Sources | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Tuition | \$37,928,848 | \$39,209,679 | \$1,280,831 | 3.4% |
| Fees | 12,575,155 | 12,610,608 | 35,453 | 0.3% |
| State Appropriation | 24,982,987 | 24,942,137 | (40,850) | -0.2% |
| All Other Revenue | 6,160,919 | 5,086,730 | (1,074,189) | -17.4% |
| Planned Use of Carryforward | 0 | 1,090,000 | 1,090,000 | n/a |
| Total Revenue/Sources | \$81,647,909 | \$82,939,154 | \$1,291,245 | 1.6% |
| Expenditures and Transfers | | | | |
| Compensation Summary: | | | | |
| Salaries and Wages | \$41,011,733 | \$40,444,393 | (\$567,340) | -1.4% |
| Benefits | 19,993,947 | 20,452,453 | 458,506 | 2.3% |
| Subtotal, Compensation | \$61,005,680 | \$60,896,846 | (\$108,834) | -0.2% |
| Student Financial Aid | 2,508,861 | 2,961,520 | 452,659 | 18.0% |
| Utilities | 2,148,805 | 2,060,120 | (88,685) | -4.1% |
| Other Services and Supplies | 13,275,306 | 15,380,348 | 2,105,042 | 15.9% |
| Subtotal, All Services and Supplies | \$17,932,972 | \$20,401,988 | \$2,469,016 | |
| Capital Expenditures and Transfers | 2,019,894 | 1,640,320 | (379,574) | -18.8% |
| Total Expenditures and Transfers | \$80,958,546 | \$82,939,154 | \$1,980,608 | 2.4% |
| Revenue/Sources Less Expenditures/Transfers | \$689,363 | \$0 | | |

| Annualized FTE Enrollment | | | | |
|----------------------------------|-------------------|-------------------|----------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| In-State Undergraduate | 3,701.23 | 3,679.33 | (21.90) | -0.6% |
| Out-of-State Undergraduate | 304.50 | 297.87 | (6.63) | -2.2% |
| In-State Graduate | 458.50 | 474.88 | 16.38 | 3.6% |
| Out-of-State Graduate | 147.33 | 146.92 | (0.41) | -0.3% |
| Total FTE Enrollment | 4,611.56 | 4,599.00 | (12.56) | -0.3% |

| E&G FTE of Budgeted Positions | | | | |
|--|-------------------|-------------------|----------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Faculty | 256.83 | 250.85 | (5.98) | -2.3% |
| AFSCME | 169.09 | 164.06 | (5.03) | -3.0% |
| Nonrepresented | 79.63 | 76.67 | (2.96) | -3.7% |
| SCUPA | 31.71 | 31.89 | 0.18 | 0.6% |
| All Other | 38.56 | 37.58 | (0.98) | -2.5% |
| Total FTE of Budgeted Positions | 575.82 | 561.05 | (14.77) | -2.6% |

Board of Governors Financial Plan Summary
East Stroudsburg University of Pennsylvania

| Educational and General Budget | | | | |
|--|----------------------|----------------------|--------------------|-----------------------|
| Revenue/Sources | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Tuition | \$57,139,646 | \$59,281,550 | \$2,141,904 | 3.7% |
| Fees | 12,688,336 | 13,110,027 | 421,691 | 3.3% |
| State Appropriation | 26,098,660 | 27,089,403 | 990,743 | 3.8% |
| All Other Revenue | 5,959,219 | 4,544,585 | (1,414,634) | -23.7% |
| Planned Use of Carryforward | 0 | 1,257,323 | 1,257,323 | n/a |
| Total Revenue/Sources | \$101,885,861 | \$105,282,888 | \$3,397,027 | 3.3% |
| Expenditures and Transfers | | | | |
| Compensation Summary: | | | | |
| Salaries and Wages | \$48,945,398 | \$50,678,426 | \$1,733,028 | 3.5% |
| Benefits | 21,538,867 | 23,694,736 | 2,155,869 | 10.0% |
| Subtotal, Compensation | \$70,484,265 | \$74,373,162 | \$3,888,897 | 5.5% |
| Student Financial Aid | 2,328,407 | 2,602,430 | 274,023 | 11.8% |
| Utilities | 1,416,097 | 1,480,388 | 64,291 | 4.5% |
| Other Services and Supplies | 16,713,967 | 18,761,100 | 2,047,133 | 12.2% |
| Subtotal, All Services and Supplies | \$20,458,471 | \$22,843,918 | \$2,385,447 | |
| Capital Expenditures and Transfers | 8,831,089 | 8,065,808 | (765,281) | -8.7% |
| Total Expenditures and Transfers | \$99,773,825 | \$105,282,888 | \$5,509,063 | 5.5% |
| Revenue/Sources Less Expenditures/Transfers | \$2,112,036 | \$0 | | |

| Annualized FTE Enrollment | | | | |
|----------------------------------|-------------------|-------------------|----------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| In-State Undergraduate | 4,585.00 | 4,539.00 | (46.00) | -1.0% |
| Out-of-State Undergraduate | 1,321.00 | 1,307.00 | (14.00) | -1.1% |
| In-State Graduate | 417.00 | 413.00 | (4.00) | -1.0% |
| Out-of-State Graduate | 136.00 | 135.00 | (1.00) | -0.7% |
| Total FTE Enrollment | 6,459.00 | 6,394.00 | (65.00) | -1.0% |

| E&G FTE of Budgeted Positions | | | | |
|--|-------------------|-------------------|---------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Faculty | 307.62 | 301.04 | (6.58) | -2.1% |
| AFSCME | 188.73 | 202.54 | 13.81 | 7.3% |
| Nonrepresented | 97.43 | 102.76 | 5.33 | 5.5% |
| SCUPA | 37.93 | 40.01 | 2.08 | 5.5% |
| All Other | 47.16 | 48.41 | 1.25 | 2.6% |
| Total FTE of Budgeted Positions | 678.87 | 694.76 | 15.89 | 2.3% |

Note: University Council of Trustees has rejected FY 2017/18 budget.

Board of Governors Financial Plan Summary
Edinboro University of Pennsylvania

| Educational and General Budget | | | | |
|--|---------------------|---------------------|------------------|-----------------------|
| Revenue/Sources | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Tuition | \$48,006,885 | \$47,282,874 | (\$724,011) | -1.5% |
| Fees | 12,831,902 | 12,442,670 | (389,232) | -3.0% |
| State Appropriation | 26,223,264 | 26,590,862 | 367,598 | 1.4% |
| All Other Revenue | 3,928,981 | 2,705,859 | (1,223,122) | -31.1% |
| Planned Use of Carryforward | 0 | 2,743,238 | 2,743,238 | n/a |
| Total Revenue/Sources | \$90,991,032 | \$91,765,503 | \$774,471 | 0.9% |
| Expenditures and Transfers | | | | |
| Compensation Summary: | | | | |
| Salaries and Wages | \$47,290,956 | \$46,227,635 | (\$1,063,321) | -2.2% |
| Benefits | 25,257,244 | 25,892,146 | 634,902 | 2.5% |
| Subtotal, Compensation | \$72,548,200 | \$72,119,781 | (\$428,419) | -0.6% |
| Student Financial Aid | 4,313,129 | 4,132,794 | (180,335) | -4.2% |
| Utilities | 2,037,471 | 2,073,000 | 35,529 | 1.7% |
| Other Services and Supplies | 11,267,215 | 12,042,231 | 775,016 | 6.9% |
| Subtotal, All Services and Supplies | \$17,617,815 | \$18,248,025 | \$630,210 | |
| Capital Expenditures and Transfers | 1,160,729 | 1,397,697 | 236,968 | 20.4% |
| Total Expenditures and Transfers | \$91,326,744 | \$91,765,503 | \$438,759 | 0.5% |
| Revenue/Sources Less Expenditures/Transfers | (\$335,712) | \$0 | | |

| Annualized FTE Enrollment | | | | |
|----------------------------------|-------------------|-------------------|-----------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| In-State Undergraduate | 3,731.00 | 3,489.00 | (242.00) | -6.5% |
| Out-of-State Undergraduate | 737.00 | 616.00 | (121.00) | -16.4% |
| In-State Graduate | 801.00 | 771.00 | (30.00) | -3.7% |
| Out-of-State Graduate | 292.00 | 330.00 | 38.00 | 13.0% |
| Total FTE Enrollment | 5,561.00 | 5,206.00 | (355.00) | -6.4% |

| E&G FTE of Budgeted Positions | | | | |
|--|-------------------|-------------------|---------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Faculty | 315.77 | 304.42 | (11.35) | -3.6% |
| AFSCME | 157.70 | 161.90 | 4.20 | 2.7% |
| Nonrepresented | 74.96 | 80.83 | 5.87 | 7.8% |
| SCUPA | 26.78 | 30.00 | 3.22 | 12.0% |
| All Other | 38.42 | 38.78 | 0.36 | 0.9% |
| Total FTE of Budgeted Positions | 613.63 | 615.93 | 2.30 | 0.4% |

Board of Governors Financial Plan Summary
Indiana University of Pennsylvania

| Educational and General Budget | | | | |
|--|----------------------|----------------------|--------------------|-----------------------|
| Revenue/Sources | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Tuition | \$111,529,228 | \$115,523,091 | \$3,993,863 | 3.6% |
| Fees | 33,882,761 | 33,564,790 | (317,971) | -0.9% |
| State Appropriation | 53,308,167 | 53,781,103 | 472,936 | 0.9% |
| All Other Revenue | 21,268,478 | 17,003,945 | (4,264,533) | -20.1% |
| Planned Use of Carryforward | 0 | 2,251,956 | 2,251,956 | n/a |
| Total Revenue/Sources | \$219,988,634 | \$222,124,885 | \$2,136,251 | 1.0% |
| Expenditures and Transfers | | | | |
| Compensation Summary: | | | | |
| Salaries and Wages | \$105,937,899 | \$107,615,603 | \$1,677,704 | 1.6% |
| Benefits | 53,314,812 | 54,398,194 | 1,083,382 | 2.0% |
| Subtotal, Compensation | \$159,252,711 | \$162,013,797 | \$2,761,086 | 1.7% |
| Student Financial Aid | 10,644,386 | 12,836,076 | 2,191,690 | 20.6% |
| Utilities | 4,015,970 | 4,895,379 | 879,409 | 21.9% |
| Other Services and Supplies | 32,696,929 | 33,462,048 | 765,119 | 2.3% |
| Subtotal, All Services and Supplies | \$47,357,285 | \$51,193,503 | \$3,836,218 | |
| Capital Expenditures and Transfers | 10,679,768 | 8,917,585 | (1,762,183) | -16.5% |
| Total Expenditures and Transfers | \$217,289,764 | \$222,124,885 | \$4,835,121 | 2.2% |
| Revenue/Sources Less Expenditures/Transfers | \$2,698,870 | \$0 | | |

| Annualized FTE Enrollment | | | | |
|----------------------------------|-------------------|-------------------|-----------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| In-State Undergraduate | 9,306.82 | 9,027.62 | (279.20) | -3.0% |
| Out-of-State Undergraduate | 921.80 | 820.53 | (101.27) | -11.0% |
| In-State Graduate | 998.08 | 1,033.01 | 34.93 | 3.5% |
| Out-of-State Graduate | 540.42 | 533.94 | (6.48) | -1.2% |
| Total FTE Enrollment | 11,767.12 | 11,415.10 | (352.02) | -3.0% |

| E&G FTE of Budgeted Positions | | | | |
|--|-------------------|-------------------|---------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Faculty | 684.02 | 686.02 | 2.00 | 0.3% |
| AFSCME | 385.57 | 373.70 | (11.87) | -3.1% |
| Nonrepresented | 186.26 | 185.94 | (0.32) | -0.2% |
| SCUPA | 49.99 | 52.48 | 2.49 | 5.0% |
| All Other | 58.58 | 58.23 | (0.35) | -0.6% |
| Total FTE of Budgeted Positions | 1,364.42 | 1,356.37 | (8.05) | -0.6% |

Board of Governors Financial Plan Summary
Kutztown University of Pennsylvania

| Educational and General Budget | | | | |
|--|----------------------|----------------------|--------------------|-----------------------|
| Revenue/Sources | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Tuition | \$69,686,277 | \$68,887,913 | (\$798,364) | -1.1% |
| Fees | 12,893,088 | 12,669,648 | (223,440) | -1.7% |
| State Appropriation | 35,631,702 | 36,149,040 | 517,338 | 1.5% |
| All Other Revenue | 4,861,299 | 3,765,000 | (1,096,299) | -22.6% |
| Planned Use of Carryforward | 0 | 4,423,446 | 4,423,446 | n/a |
| Total Revenue/Sources | \$123,072,366 | \$125,895,047 | \$2,822,681 | 2.3% |
| Expenditures and Transfers | | | | |
| Compensation Summary: | | | | |
| Salaries and Wages | \$64,034,877 | \$63,945,088 | (\$89,789) | -0.1% |
| Benefits | 31,217,550 | 32,218,407 | 1,000,857 | 3.2% |
| Subtotal, Compensation | \$95,252,427 | \$96,163,495 | \$911,068 | 1.0% |
| Student Financial Aid | 3,472,184 | 3,595,000 | 122,816 | 3.5% |
| Utilities | 2,314,068 | 2,400,592 | 86,524 | 3.7% |
| Other Services and Supplies | 21,799,014 | 21,932,594 | 133,580 | 0.6% |
| Subtotal, All Services and Supplies | \$27,585,266 | \$27,928,186 | \$342,920 | |
| Capital Expenditures and Transfers | (557,552) | 1,803,366 | 2,360,918 | n/a |
| Total Expenditures and Transfers | \$122,280,141 | \$125,895,047 | \$3,614,906 | 3.0% |
| Revenue/Sources Less Expenditures/Transfers | \$792,225 | \$0 | | |

| Annualized FTE Enrollment | | | | |
|----------------------------------|-------------------|-------------------|-----------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| In-State Undergraduate | 6,465.07 | 6,146.85 | (318.22) | -4.9% |
| Out-of-State Undergraduate | 931.00 | 907.71 | (23.29) | -2.5% |
| In-State Graduate | 402.33 | 429.07 | 26.74 | 6.6% |
| Out-of-State Graduate | 28.00 | 29.72 | 1.72 | 6.1% |
| Total FTE Enrollment | 7,826.40 | 7,513.35 | (313.05) | -4.0% |

| E&G FTE of Budgeted Positions | | | | |
|--|-------------------|-------------------|---------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Faculty | 456.59 | 452.00 | (4.59) | -1.0% |
| AFSCME | 216.20 | 215.92 | (0.28) | -0.1% |
| Nonrepresented | 117.87 | 115.45 | (2.42) | -2.1% |
| SCUPA | 38.87 | 38.65 | (0.22) | -0.6% |
| All Other | 42.13 | 43.42 | 1.29 | 3.1% |
| Total FTE of Budgeted Positions | 871.66 | 865.44 | (6.22) | -0.7% |

Board of Governors Financial Plan Summary
 Lock Haven University of Pennsylvania

| Educational and General Budget | | | | |
|--|---------------------|---------------------|----------------------|-----------------------|
| Revenue/Sources | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Tuition | \$34,581,112 | \$32,888,073 | (\$1,693,039) | -4.9% |
| Fees | 9,067,095 | 8,465,486 | (601,609) | -6.6% |
| State Appropriation | 24,556,106 | 24,670,706 | 114,600 | 0.5% |
| All Other Revenue | 3,811,810 | 3,212,509 | (599,301) | -15.7% |
| Planned Use of Carryforward | 0 | 462,984 | 462,984 | n/a |
| Total Revenue/Sources | \$72,016,123 | \$69,699,758 | (\$2,316,365) | -3.2% |
| Expenditures and Transfers | | | | |
| Compensation Summary: | | | | |
| Salaries and Wages | \$36,365,510 | \$36,689,268 | \$323,758 | 0.9% |
| Benefits | 17,931,614 | 19,222,059 | 1,290,445 | 7.2% |
| Subtotal, Compensation | \$54,297,124 | \$55,911,327 | \$1,614,203 | 3.0% |
| Student Financial Aid | 2,243,483 | 2,230,557 | (12,926) | -0.6% |
| Utilities | 1,287,645 | 1,314,600 | 26,955 | 2.1% |
| Other Services and Supplies | 8,467,857 | 9,016,497 | 548,640 | 6.5% |
| Subtotal, All Services and Supplies | \$11,998,985 | \$12,561,654 | \$562,669 | |
| Capital Expenditures and Transfers | 5,342,138 | 1,226,777 | (4,115,361) | -77.0% |
| Total Expenditures and Transfers | \$71,638,247 | \$69,699,758 | (\$1,938,489) | -2.7% |
| Revenue/Sources Less Expenditures/Transfers | \$377,876 | \$0 | | |

| Annualized FTE Enrollment | | | | |
|----------------------------------|-------------------|-------------------|-----------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| In-State Undergraduate | 3,444.95 | 3,038.99 | (405.96) | -11.8% |
| Out-of-State Undergraduate | 217.18 | 203.96 | (13.22) | -6.1% |
| In-State Graduate | 365.81 | 377.83 | 12.02 | 3.3% |
| Out-of-State Graduate | 70.52 | 85.05 | 14.53 | 20.6% |
| Total FTE Enrollment | 4,098.46 | 3,705.83 | (392.63) | -9.6% |

| E&G FTE of Budgeted Positions | | | | |
|--|-------------------|-------------------|----------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Faculty | 241.00 | 235.50 | (5.50) | -2.3% |
| AFSCME | 153.56 | 148.00 | (5.56) | -3.6% |
| Nonrepresented | 50.52 | 47.01 | (3.51) | -6.9% |
| SCUPA | 17.29 | 19.25 | 1.96 | 11.3% |
| All Other | 39.11 | 38.83 | (0.28) | -0.7% |
| Total FTE of Budgeted Positions | 501.48 | 488.59 | (12.89) | -2.6% |

Board of Governors Financial Plan Summary
Mansfield University of Pennsylvania

| Educational and General Budget | | | | |
|--|---------------------|---------------------|------------------|-----------------------|
| Revenue/Sources | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Tuition | \$19,589,727 | \$17,971,756 | (\$1,617,971) | -8.3% |
| Fees | 3,227,156 | 2,811,985 | (415,171) | -12.9% |
| State Appropriation | 16,322,594 | 16,614,828 | 292,234 | 1.8% |
| All Other Revenue | 2,752,137 | 1,323,651 | (1,428,486) | -51.9% |
| Planned Use of Carryforward | 0 | 3,341,660 | 3,341,660 | n/a |
| Total Revenue/Sources | \$41,891,614 | \$42,063,880 | \$172,266 | 0.4% |
| Expenditures and Transfers | | | | |
| Compensation Summary: | | | | |
| Salaries and Wages | \$21,897,277 | \$22,051,826 | \$154,549 | 0.7% |
| Benefits | 10,723,553 | 11,212,985 | 489,432 | 4.6% |
| Subtotal, Compensation | \$32,620,830 | \$33,264,811 | \$643,981 | 2.0% |
| Student Financial Aid | 1,722,591 | 1,730,000 | 7,409 | 0.4% |
| Utilities | 1,005,326 | 1,035,486 | 30,160 | 3.0% |
| Other Services and Supplies | 5,205,295 | 4,899,062 | (306,233) | -5.9% |
| Subtotal, All Services and Supplies | \$7,933,212 | \$7,664,548 | (\$268,664) | |
| Capital Expenditures and Transfers | 1,075,984 | 1,134,521 | 58,537 | 5.4% |
| Total Expenditures and Transfers | \$41,630,026 | \$42,063,880 | \$433,854 | 1.0% |
| Revenue/Sources Less Expenditures/Transfers | \$261,588 | \$0 | | |

| Annualized FTE Enrollment | | | | |
|----------------------------------|-------------------|-------------------|-----------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| In-State Undergraduate | 1,592.00 | 1,380.80 | (211.20) | -13.3% |
| Out-of-State Undergraduate | 354.00 | 306.60 | (47.40) | -13.4% |
| In-State Graduate | 34.00 | 30.80 | (3.20) | -9.4% |
| Out-of-State Graduate | 9.00 | 7.80 | (1.20) | -13.3% |
| Total FTE Enrollment | 1,989.00 | 1,726.00 | (263.00) | -13.2% |

| E&G FTE of Budgeted Positions | | | | |
|--|-------------------|-------------------|----------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Faculty | 148.49 | 143.50 | (4.99) | -3.4% |
| AFSCME | 103.64 | 100.92 | (2.72) | -2.6% |
| Nonrepresented | 45.10 | 42.84 | (2.26) | -5.0% |
| SCUPA | 11.65 | 10.85 | (0.81) | -6.9% |
| All Other | 28.98 | 29.01 | 0.03 | 0.1% |
| Total FTE of Budgeted Positions | 337.86 | 327.11 | (10.75) | -3.2% |

Board of Governors Financial Plan Summary
 Millersville University of Pennsylvania

| Educational and General Budget | | | | |
|--|----------------------|----------------------|--------------------|-----------------------|
| Revenue/Sources | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Tuition | \$68,296,088 | \$71,588,096 | \$3,292,008 | 4.8% |
| Fees | 14,484,862 | 14,612,654 | 127,792 | 0.9% |
| State Appropriation | 32,457,613 | 33,120,765 | 663,152 | 2.0% |
| All Other Revenue | 5,758,910 | 4,931,661 | (827,249) | -14.4% |
| Planned Use of Carryforward | 0 | 418,892 | 418,892 | n/a |
| Total Revenue/Sources | \$120,997,473 | \$124,672,068 | \$3,674,595 | 3.0% |
| Expenditures and Transfers | | | | |
| Compensation Summary: | | | | |
| Salaries and Wages | \$61,258,724 | \$62,199,495 | \$940,771 | 1.5% |
| Benefits | 28,785,358 | 30,209,712 | 1,424,354 | 4.9% |
| Subtotal, Compensation | \$90,044,082 | \$92,409,207 | \$2,365,125 | 2.6% |
| Student Financial Aid | 3,545,747 | 3,233,042 | (312,705) | -8.8% |
| Utilities | 2,281,891 | 2,311,666 | 29,775 | 1.3% |
| Other Services and Supplies | 16,991,817 | 18,936,678 | 1,944,861 | 11.4% |
| Subtotal, All Services and Supplies | \$22,819,455 | \$24,481,386 | \$1,661,931 | 7.3% |
| Capital Expenditures and Transfers | 7,293,268 | 7,781,475 | 488,207 | 6.7% |
| Total Expenditures and Transfers | \$120,156,805 | \$124,672,068 | \$4,515,263 | 3.8% |
| Revenue/Sources Less Expenditures/Transfers | \$840,668 | \$0 | | |

| Annualized FTE Enrollment | | | | |
|----------------------------------|-------------------|-------------------|---------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| In-State Undergraduate | 5,946.00 | 5,933.00 | (13.00) | -0.2% |
| Out-of-State Undergraduate | 441.00 | 469.00 | 28.00 | 6.3% |
| In-State Graduate | 645.00 | 626.00 | (19.00) | -2.9% |
| Out-of-State Graduate | 37.00 | 46.00 | 9.00 | 24.3% |
| Total FTE Enrollment | 7,069.00 | 7,074.00 | 5.00 | 0.1% |

| E&G FTE of Budgeted Positions | | | | |
|--|-------------------|-------------------|---------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Faculty | 354.93 | 355.03 | 0.10 | 0.0% |
| AFSCME | 238.59 | 238.23 | (0.36) | -0.2% |
| Nonrepresented | 114.45 | 109.73 | (4.72) | -4.1% |
| SCUPA | 38.14 | 39.26 | 1.12 | 2.9% |
| All Other | 47.71 | 46.37 | (1.34) | -2.8% |
| Total FTE of Budgeted Positions | 793.82 | 788.62 | (5.20) | -0.7% |

Board of Governors Financial Plan Summary
Shippensburg University of Pennsylvania

| Educational and General Budget | | | | |
|--|----------------------|----------------------|--------------------|-----------------------|
| Revenue/Sources | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Tuition | \$59,377,069 | \$59,044,330 | (\$332,739) | -0.6% |
| Fees | 11,589,060 | 11,535,310 | (53,750) | -0.5% |
| State Appropriation | 29,662,989 | 29,893,418 | 230,429 | 0.8% |
| All Other Revenue | 5,644,250 | 5,256,882 | (387,368) | -6.9% |
| Planned Use of Carryforward | 0 | 838,498 | 838,498 | n/a |
| Total Revenue/Sources | \$106,273,368 | \$106,568,438 | \$295,070 | 0.3% |
| Expenditures and Transfers | | | | |
| Compensation Summary: | | | | |
| Salaries and Wages | \$56,814,853 | \$58,220,238 | \$1,405,385 | 2.5% |
| Benefits | 26,886,002 | 27,735,039 | 849,037 | 3.2% |
| Subtotal, Compensation | \$83,700,855 | \$85,955,277 | \$2,254,422 | 2.7% |
| Student Financial Aid | 2,641,843 | 2,885,431 | 243,588 | 9.2% |
| Utilities | 1,331,890 | 1,358,528 | 26,638 | 2.0% |
| Other Services and Supplies | 14,267,362 | 14,413,865 | 146,503 | 1.0% |
| Subtotal, All Services and Supplies | \$18,241,095 | \$18,657,824 | \$416,729 | 0.7% |
| Capital Expenditures and Transfers | 1,942,578 | 1,955,337 | 12,759 | 0.7% |
| Total Expenditures and Transfers | \$103,884,528 | \$106,568,438 | \$2,683,910 | 2.6% |
| Revenue/Sources Less Expenditures/Transfers | \$2,388,840 | \$0 | | |

| Annualized FTE Enrollment | | | | |
|----------------------------------|-------------------|-------------------|-----------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| In-State Undergraduate | 5,176.37 | 5,027.30 | (149.07) | -2.9% |
| Out-of-State Undergraduate | 472.11 | 406.16 | (65.95) | -14.0% |
| In-State Graduate | 579.67 | 518.35 | (61.32) | -10.6% |
| Out-of-State Graduate | 128.34 | 113.88 | (14.46) | -11.3% |
| Total FTE Enrollment | 6,356.49 | 6,065.69 | (290.80) | -4.6% |

| E&G FTE of Budgeted Positions | | | | |
|--|-------------------|-------------------|---------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Faculty | 287.00 | 287.00 | 0.00 | 0.0% |
| AFSCME | 165.50 | 165.50 | 0.00 | 0.0% |
| Nonrepresented | 96.00 | 96.00 | 0.00 | 0.0% |
| SCUPA | 29.72 | 31.72 | 2.00 | 6.7% |
| All Other | 35.50 | 35.50 | 0.00 | 0.0% |
| Total FTE of Budgeted Positions | 613.72 | 615.72 | 2.00 | 0.3% |

Board of Governors Financial Plan Summary
Slippery Rock University of Pennsylvania

| Educational and General Budget | | | | |
|--|----------------------|----------------------|--------------------|-----------------------|
| Revenue/Sources | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Tuition | \$75,517,983 | \$79,014,872 | \$3,496,889 | 4.6% |
| Fees | 17,116,485 | 18,485,657 | 1,369,172 | 8.0% |
| State Appropriation | 36,357,561 | 37,628,973 | 1,271,412 | 3.5% |
| All Other Revenue | 5,066,476 | 4,595,221 | (471,255) | -9.3% |
| Planned Use of Carryforward | 2,790,000 | 0 | (2,790,000) | -100.0% |
| Total Revenue/Sources | \$136,848,505 | \$139,724,723 | \$2,876,218 | 2.1% |
| Expenditures and Transfers | | | | |
| Compensation Summary: | | | | |
| Salaries and Wages | \$66,203,376 | \$72,457,508 | \$6,254,132 | 9.4% |
| Benefits | 31,975,376 | 35,649,116 | 3,673,740 | 11.5% |
| Subtotal, Compensation | \$98,178,752 | \$108,106,624 | \$9,927,872 | 10.1% |
| Student Financial Aid | 4,169,534 | 4,282,034 | 112,500 | 2.7% |
| Utilities | 2,852,773 | 2,107,287 | (745,486) | -26.1% |
| Other Services and Supplies | 17,405,269 | 18,323,177 | 917,908 | 5.3% |
| Subtotal, All Services and Supplies | \$24,427,576 | \$24,712,498 | \$284,922 | |
| Capital Expenditures and Transfers | 10,924,884 | 6,905,601 | (4,019,283) | -36.8% |
| Total Expenditures and Transfers | \$133,531,212 | \$139,724,723 | \$6,193,511 | 4.6% |
| Revenue/Sources Less Expenditures/Transfers | \$3,317,293 | \$0 | | |

| Annualized FTE Enrollment | | | | |
|----------------------------------|-------------------|-------------------|---------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| In-State Undergraduate | 6,957.73 | 6,968.07 | 10.34 | 0.1% |
| Out-of-State Undergraduate | 905.57 | 834.51 | (71.05) | -7.8% |
| In-State Graduate | 1,027.17 | 1,106.26 | 79.09 | 7.7% |
| Out-of-State Graduate | 168.79 | 187.16 | 18.37 | 10.9% |
| Total FTE Enrollment | 9,059.26 | 9,096.00 | 36.74 | 0.4% |

| E&G FTE of Budgeted Positions | | | | |
|--|-------------------|-------------------|---------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Faculty | 434.20 | 448.61 | 14.41 | 3.3% |
| AFSCME | 282.32 | 283.63 | 1.31 | 0.5% |
| Nonrepresented | 96.92 | 96.67 | (0.25) | -0.3% |
| SCUPA | 37.86 | 43.94 | 6.08 | 16.1% |
| All Other | 54.08 | 56.64 | 2.56 | 4.7% |
| Total FTE of Budgeted Positions | 905.38 | 929.49 | 24.11 | 2.7% |

Board of Governors Financial Plan Summary
West Chester University of Pennsylvania

| Educational and General Budget | | | | |
|--|----------------------|----------------------|---------------------|-----------------------|
| Revenue/Sources | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Tuition | \$142,580,365 | \$148,082,474 | \$5,502,109 | 3.9% |
| Fees | 28,934,834 | 30,361,481 | 1,426,647 | 4.9% |
| State Appropriation | 53,047,483 | 55,951,494 | 2,904,011 | 5.5% |
| All Other Revenue | 10,321,623 | 10,004,915 | (316,708) | -3.1% |
| Planned Use of Carryforward | 0 | 1,534,675 | 1,534,675 | n/a |
| Total Revenue/Sources | \$234,884,305 | \$245,935,039 | \$11,050,734 | 4.7% |
| Expenditures and Transfers | | | | |
| Compensation Summary: | | | | |
| Salaries and Wages | \$122,799,888 | \$129,382,589 | \$6,582,701 | 5.4% |
| Benefits | 55,779,398 | 60,204,318 | 4,424,920 | 7.9% |
| Subtotal, Compensation | \$178,579,286 | \$189,586,907 | \$11,007,621 | 6.2% |
| Student Financial Aid | 3,699,251 | 4,175,000 | 475,749 | 12.9% |
| Utilities | 2,843,781 | 3,040,678 | 196,897 | 6.9% |
| Other Services and Supplies | 30,319,717 | 35,145,608 | 4,825,891 | 15.9% |
| Subtotal, All Services and Supplies | \$36,862,749 | \$42,361,286 | \$5,498,537 | |
| Capital Expenditures and Transfers | 17,907,595 | 13,986,846 | (3,920,749) | -21.9% |
| Total Expenditures and Transfers | \$233,349,630 | \$245,935,039 | \$12,585,409 | 5.4% |
| Revenue/Sources Less Expenditures/Transfers | \$1,534,675 | \$0 | | |

| Annualized FTE Enrollment | | | | |
|----------------------------------|-------------------|-------------------|---------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| In-State Undergraduate | 12,155.22 | 12,263.71 | 108.49 | 0.9% |
| Out-of-State Undergraduate | 1,688.48 | 1,647.29 | (41.20) | -2.4% |
| In-State Graduate | 1,528.88 | 1,531.85 | 2.97 | 0.2% |
| Out-of-State Graduate | 207.08 | 213.03 | 5.94 | 2.9% |
| Total FTE Enrollment | 15,579.66 | 15,655.87 | 76.21 | 0.5% |

| E&G FTE of Budgeted Positions | | | | |
|--|-------------------|-------------------|---------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Faculty | 875.48 | 871.58 | (3.90) | -0.4% |
| AFSCME | 379.50 | 384.13 | 4.63 | 1.2% |
| Nonrepresented | 227.59 | 247.64 | 20.05 | 8.8% |
| SCUPA | 94.72 | 87.01 | (7.71) | -8.1% |
| All Other | 65.02 | 66.67 | 1.65 | 2.5% |
| Total FTE of Budgeted Positions | 1,642.31 | 1,657.03 | 14.72 | 0.9% |

Board of Governors Financial Plan Summary
Office of the Chancellor (1/2 of 1%)

| Educational & General Budget | | | | |
|--|--------------------|--------------------|------------------|-----------------------|
| Tuition | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Tuition | \$0 | \$0 | \$0 | n/a |
| Fees | 0 | 0 | 0 | n/a |
| State Appropriation | 2,216,617 | 2,260,945 | 44,328 | 2.0% |
| All Other Revenue | 6,221,168 | 6,159,101 | (62,067) | -1.0% |
| Planned Use of Carryforward | 136,190 | 451,986 | 315,796 | 231.9% |
| Total Revenue/Sources | \$8,573,975 | \$8,872,032 | \$298,057 | 3.5% |
| Expenditures and Transfers | | | | |
| Compensation Summary: | | | | |
| Salaries and Wages | \$4,113,413 | \$4,176,404 | \$62,991 | 1.5% |
| Benefits | 1,638,945 | 1,888,980 | 250,035 | 15.3% |
| Subtotal, Compensation | \$5,752,358 | \$6,065,384 | \$313,026 | 5.4% |
| Utilities | 3,991 | 5,700 | 1,709 | 42.8% |
| Services and Supplies | 2,189,542 | 2,496,882 | 307,340 | 14.0% |
| Subtotal, All Services and Supplies | \$2,193,533 | \$2,502,582 | \$309,049 | 14.1% |
| Capital Expenditures and Transfers | 350,572 | 304,066 | (46,506) | -13.3% |
| Total Expenditures and Transfers | \$8,296,463 | \$8,872,032 | \$575,569 | 6.9% |
| Revenue/Sources Less Expenditures/Transfers | | | | |
| | \$277,512 | \$0 | | |

| E&G FTE of Budgeted Positions | | | | |
|--|-------------------|-------------------|---------------|-----------------------|
| | FY 2016/17 | FY 2017/18 | Change | Percent Change |
| Faculty | 0.00 | 0.00 | 0.00 | n/a |
| AFSCME | 4.74 | 4.74 | 0.00 | 0.0% |
| Nonrepresented | 32.07 | 31.62 | (0.45) | -1.4% |
| SCUPA | 0.10 | 0.00 | (0.10) | -100.0% |
| All Other | 0.00 | 0.00 | 0.00 | n/a |
| Total FTE of Budgeted Positions | 36.91 | 36.36 | (0.55) | -1.5% |

Board of Governors Financial Plan Summary

Other Programs Administered by the Office of the Chancellor in FY 2016/17 and 2017/18

| | FY 2016/17 | FY 2017/18 |
|---|----------------------|----------------------|
| Programs Funded from the Educational and General Appropriation | Appropriation | Appropriation |
| System Reserve | \$613,700 | \$714,474 |
| Dixon University Center Academic Programs (5.54 FTE Employees) | \$1,235,000 | \$1,260,000 |
| Office of Internal Audit and Risk Assessment (7.00 FTE Employees) | \$900,533 | \$919,000 |

Restricted Funds 3.50 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 GEAR UP-3 program is providing services for the class of 2020 cohort of students in the Harrisburg, Allentown, and Norristown School Districts; the grant will also support this cohort of students to increase their persistence rate from their freshman year to their sophomore year in college. GEAR UP-3 is a \$23.7 million, seven-year grant. The program will receive between \$3.4 and \$3.6 million annually for six years and \$2.2 million for the seventh year.

Shared Services 84.41 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 Counsel Office, Keystone Library Network, Distance Education, The Harrisburg Internship Semester, Treasury Accounting, SSHenet, Shared Administrative System, Executive Information System, and Strategic Information Management System. The costs associated with these services are reflected within the university budgets. State System @ Center City Philadelphia (3.63 FTE) is also included.

Overhead Costs 14.71 FTE Employees

The Office of the Chancellor manages 14.71 FTE employees for site management and administrative services that support all programs administered by the Office of the Chancellor.

Other—Treasury, Procurement, Pepsi Sponsorships, Etc. 3.80 FTE Employees

The Office of the Chancellor manages 3.05 FTE employees for Treasury and Strategic Sourcing, and manages funds received from Pepsi sponsorships. In addition, .75 FTE associated with overhead services are funded from other revenue sources, including restricted funds for indirect costs.

Board of Governors Meeting

October 18–19, 2017

SUBJECT: Fiscal Year 2017/18 Capital Spending Plan and Capital Budget Authorization Request (ACTION)

UNIVERSITIES AFFECTED: All

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

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

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

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

Capital Authorization Bill—Projects needing legislative authorization have previously been submitted and are currently listed in Senate Bill 651, which is pending approval in the Pennsylvania House of Representatives. The bill must be enacted before the design can start for many projects in the spending plan.

MOTION: That the Board of Governors approve the fiscal year 2017/18 Capital Spending Plan.

Supporting Documents Included: Capital Spending Plan

Other Supporting Documents Available: University-submitted project justifications

Reviewed and Recommended by: Finance, Administration, and Facilities Committee,
September 27, 2017

Prepared by: James S. Dillon

Telephone: (717) 720-4100

Pennsylvania's State System of Higher Education
Capital Spending Plan for Fiscal Years 2017/18 Through 2021/22
As Reviewed and Recommended by the Finance, Administration, and Facilities Committee on September 27, 2017
Financial Summary

| Financial Summary in Current Year Dollars (\$000) | | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| University | FY 2017/18 | FY 2018/19 | FY 2019/20 | FY 2020/21 | FY 2021/22 | Five-Year Total |
| Bloomsburg | | \$20,000 | | \$2,000 | | \$22,000 |
| California | | | \$37,429 | | \$3,500 | 40,929 |
| Cheyney | | 36,000 | 4,000 | | | 40,000 |
| Clarion | \$8,400 | | 840 | | | 9,240 |
| East Stroudsburg | | | | 1,500 | | 1,500 |
| Edinboro | 12,500 | | 1,100 | | | 13,600 |
| Indiana | 30,600 | | | | | 30,600 |
| Kutztown | | | | 5,800 | 17,100 | 22,900 |
| Lock Haven | | 1,000 | 16,451 | 1,600 | | 19,051 |
| Mansfield | | | | 6,000 | | 6,000 |
| Millersville | 10,500 | | 1,000 | | | 11,500 |
| Shippensburg | | 6,700 | | 41,901 | | 48,601 |
| Slippery Rock | 1,600 | | | | 16,300 | 17,900 |
| West Chester | 2,000 | | | | 20,000 | 22,000 |
| Five-Year Total | \$65,600 | \$63,700 | \$60,820 | \$58,801 | \$56,900 | \$305,821 |

| Total Capital Funding for FY 1996/97 to FY 2016/17 | Historical Funding Analysis (\$000) ¹ | | | |
|--|--|---|--|---|
| | Including Cheyney | | Not Including Cheyney | |
| | Over- or Underfunded Before Spending Plan ² | Over- or Underfunded After Spending Plan ³ | Over- or Underfunded Before Spending Plan ² | Over- or Underfunded After Spending Plan ³ |
| \$95,724 | (10,378) | (12,045) | (2,834) | (2,124) |
| 77,157 | (13,134) | 7,928 | (7,018) | 16,039 |
| 153,940 | 97,141 | 126,812 | | |
| 112,921 | 24,046 | 15,828 | 30,319 | 23,854 |
| 115,434 | 29,901 | 10,701 | 35,985 | 18,864 |
| 84,157 | (11,784) | (17,190) | (5,215) | (8,713) |
| 151,339 | (38,125) | (48,205) | (24,712) | (30,706) |
| 82,492 | (27,320) | (28,712) | (19,362) | (18,314) |
| 65,777 | (9,070) | (5,331) | (3,723) | 1,553 |
| 59,116 | (2,754) | (9,212) | 1,701 | (3,506) |
| 95,395 | (5,847) | (16,866) | 1,123 | (7,634) |
| 87,544 | (16,172) | 10,453 | (8,722) | 20,110 |
| 98,241 | (9,043) | (14,854) | (1,192) | (4,623) |
| 147,709 | (7,460) | (19,307) | 3,649 | (4,799) |
| \$1,426,944 | (\$0) | (\$0) | (\$0) | (\$0) |

| Financial Summary (\$000) Allowing for Inflation at 3% Annually | | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| University | FY 2017/18 | FY 2018/19 | FY 2019/20 | FY 2020/21 | FY 2021/22 | Five-Year Total |
| Bloomsburg | | \$20,600 | | \$2,200 | | \$22,800 |
| California | | | \$39,700 | | \$3,900 | 43,600 |
| Cheyney | | 37,100 | 4,200 | | | 41,300 |
| Clarion | \$8,400 | | 900 | | | 9,300 |
| East Stroudsburg | | | | 1,600 | | 1,600 |
| Edinboro | 12,500 | | 1,200 | | | 13,700 |
| Indiana | 30,600 | | | | | 30,600 |
| Kutztown | | | | 6,300 | 19,300 | 25,600 |
| Lock Haven | | 1,000 | 17,500 | 1,700 | | 20,200 |
| Mansfield | | | | 6,600 | | 6,600 |
| Millersville | 10,500 | | 1,100 | | | 11,600 |
| Shippensburg | | 6,900 | | 45,800 | | 52,700 |
| Slippery Rock | 1,600 | | | | 18,300 | 19,900 |
| West Chester | 2,000 | | | | 22,500 | 24,500 |
| Five-Year Total | \$65,600 | \$65,600 | \$64,600 | \$64,200 | \$64,000 | \$324,000 |

Notes

- ¹ Parentheses () indicate underfunded.
- ² Compares funding received from FY1996/97 to FY 2016/17 to funding if distributed by the plant portion of the allocation formula.
- ³ Compares funding received from FY1996/97 to FY 2021/22 to funding if distributed by the plant portion of the allocation formula.

Numbers may not add due to rounding.

Fiscal Years 2017/18 Through 2021/22
As Reviewed and Recommended by the Finance, Administration, and Facilities Committee on September 27, 2017
Project Execution Schedule

| Proposed Execution Year | University | Project Description | Original Furniture and Equipment OF&E? | Authorization Act | Total Authorization (\$000) | Facility Use | University Funds (\$000) | Commonwealth Funding Adjusted for Inflation (\$000) |
|-------------------------|---|--|--|----------------------|-----------------------------|--------------------------|--------------------------|---|
| 2017/18 | Clarion | Facility Space Renovation, Consolidation, and Demolition | | SB651 | 12,000 | Administrative | | \$8,400 |
| | Edinboro | B.F. Library Renovation | | SB651 | 30,000 | Mixed Usage | | 12,500 |
| | Indiana | Weyandt/Walsh Hall Renovation or Replacement | OF&E | 82/100 | 9,000 | Science and Technology | | 4,000 |
| | | Weyandt/Walsh Hall Renovation or Replacement | | 82/10 | 38,300 | Science and Technology | | 24,300 |
| | | Obsolete and Underutilized Buildings Demolition (Foster Hall) | | SB651 | 4,000 | General Education | | 2,300 |
| | Millersville | Stayer (Jefferson Hall) Building Renovation | | 41/08, 82/10 | 13,000 | General Education | | 8,800 |
| | | Deferred Maintenance (Water System Upgrade) | | 82/10 | 4,000 | Utilities Infrastructure | | 1,700 |
| | Slippery Rock | Student Success Center Renovation | OF&E | 85/13 | 2,800 | Administration | | 1,600 |
| West Chester | Sturzebecker Health Science Center Addition | OF&E | SB651 | 5,000 | Science and Technology | | 2,000 | |
| 2017/18 Total | | | | | | | | \$65,600 |
| 2018/19 | Bloomsburg | McCormick Center Renovation | | 82/10, SB651 | 24,000 | General Education | | \$20,600 |
| | Cheyney | Cope Hall Renovation/Addition (Construction) | | 82/10, SB651 | 48,000 | Athletics | | 37,100 |
| | Lock Haven | Obsolete and Underutilized Buildings Demolition (High Hall) | | SB651 | 5,000 | Housing | | 1,000 |
| | Shippensburg | Franklin Science Center Renovation (Design) | | 82/100, 85/13 | 40,000 | Science and Technology | | 6,900 |
| 2018/19 Total | | | | | | | | \$65,600 |
| 2019/20 | California | Science Building Construction | | 40/04, SB651 | 65,093 | Science and Technology | | \$39,700 |
| | Cheyney | Cope Hall Renovation/Addition | OF&E | 85/13 | 5,000 | Athletics | | 4,200 |
| | Clarion | Facility Space Renovation, Consolidation, and Demolition | OF&E | SB651 | 1,000 | Administrative | | 900 |
| | Edinboro | B.F. Library Addition and Renovation | OF&E | SB651 | 2,000 | Mixed Usage | | 1,200 |
| | Lock Haven | Robinson Learning Center Renovation | | SB651 | 20,000 | General Education | | 17,500 |
| | Millersville | Stayer (Jefferson Hall) Building Renovation | OF&E | 82/10 | 1,000 | Athletics | | 1,100 |
| 2019/20 Total | | | | | | | | \$64,600 |
| 2020/21 | Bloomsburg | McCormick Center Renovation | OF&E | 85/13 | 2,500 | General Education | | \$2,200 |
| | East Stroudsburg | Building Demolitions | | SB651 | 8,000 | Infrastructure | | 1,600 |
| | Kutztown | Poplar House Renovation/Addition | | 82/10, SB651 | 7,000 | Administration | | 6,300 |
| | Lock Haven | Robinson Learning Center Renovation | OF&E | SB651 | 2,000 | General Education | | 1,700 |
| | Mansfield | Building Demolition and Site Restoration | | 85/13, SB651 | 7,500 | Utilities Infrastructure | | 6,600 |
| | Shippensburg | Franklin Science Center Renovation (Construction) | | 82/100, 85/13, SB651 | 75,000 | Science and Technology | | 45,800 |
| 2020/21 Total | | | | | | | | \$64,200 |
| 2021/22 | California | Science Building Construction | OF&E | SB651 | 5,000 | Science and Technology | | \$3,900 |
| | Kutztown | Poplar House Renovation/Addition | OF&E | SB651 | 600 | Business Education | | 500 |
| | | Educational Building (Lytle Hall) Demolition and Replacement/Expansion | | 41/08 | 30,000 | Mixed Usage | 5,600 | 18,800 |
| | Slippery Rock | Electrical Infrastructure Upgrade | | SB651 | 20,000 | Infrastructure | | 18,300 |
| | West Chester | FH Green Library Renovation | | 40/04, SB651 | 50,400 | Libraries | | 22,500 |
| 2021/22 Total | | | | | | | | \$64,000 |
| Grand Total | | | | | | | | \$324,000 |

Board of Governors Meeting
October 18–19, 2017

SUBJECT: Demolition of Various Buildings, Millersville University of Pennsylvania (ACTION)

UNIVERSITIES AFFECTED: Millersville University of Pennsylvania

BACKGROUND: Millersville intends to demolish six buildings: Brooks Hall and a variety of small houses acquired over the last half-century.

Brooks Hall is a 28,000-square-foot two-story gymnasium with a basement swimming pool. The building was constructed in 1938 as the university's main gymnasium, but is currently vacant.

The remaining five buildings are single family homes ranging from 1,500 to 2,300 square feet that were purchased for land control and future development. The university has used many of the buildings as temporary office space; however, they do not meet ADA standards for accessibility, are inefficient to operate, and cannot be feasibly updated for further use. The university plans to demolish the houses and use the site for a pedestrian pathway, with potential for a new academic building.

Depending upon who holds the titles to the buildings, approval may be required from the Department of General Services (DGS) and the Pennsylvania Historical and Museum Commission (PHMC).

MOTION: That the Board of Governors approve Millersville University's plan to demolish six buildings, totaling 37,500 gross square feet.

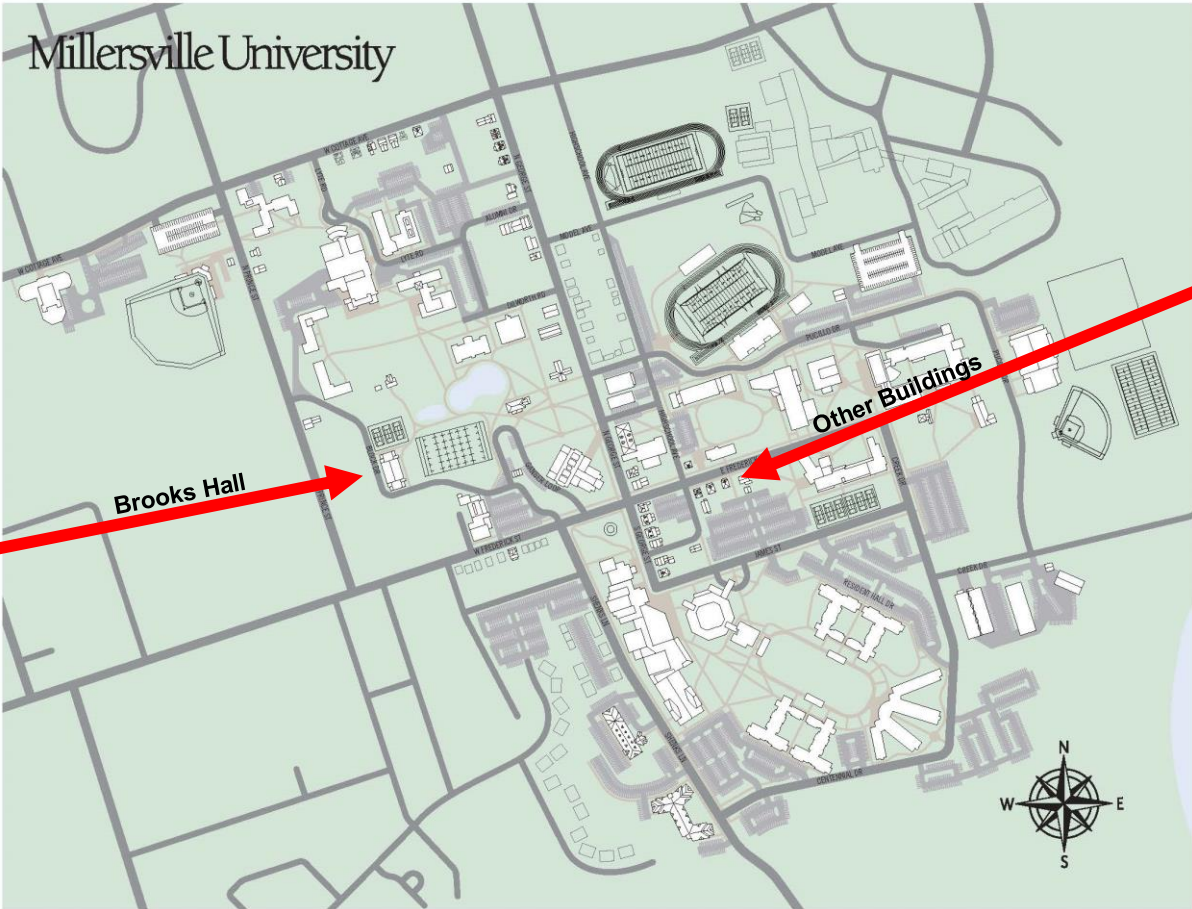
Supporting Documents Included: Property Map and Photos

Other Supporting Documents Available: Real Property Acquisition Planning Data

Reviewed and Recommended by: Finance, Administration, and Facilities Committee,
September 27, 2017

Prepared by: James S. Dillon

Telephone: (717) 720-4100



| Building Name | Gross Square Feet | Year Acquired | Titled Entity | Approval Actions Required |
|--------------------------------|--------------------------|----------------------|----------------------|----------------------------------|
| Brooks Hall | 28,000 | 1938 | GSA | DGS/PHMC Approval |
| Allegheny House | 1,900 | 1968 | GSA | DGS/PHMC Approval |
| Armstrong House | 1,500 | 1962 | GSA | DGS/PHMC Approval |
| Dauphin House | 1,800 | 1987 | University | BOG/PHMC Approval |
| Luzerne House | 2,000 | 1987 | University | BOG/PHMC Approval |
| Susquehanna House | 2,300 | 1968 | GSA | DGS/PHMC Approval |
| Total Gross Square Feet | 37,500 | | | |



Brooks Hall



Allegheny House



Armstrong House



Dauphin House



Luzerne House



Susquehanna House

Board of Governors Meeting
October 18–19, 2017

SUBJECT: Property Acquisition, West Chester University of Pennsylvania (ACTION)

UNIVERSITIES AFFECTED: West Chester University of Pennsylvania

BACKGROUND: West Chester University requests approval to acquire property at 28 West Rosedale Avenue, West Goshen Township, Pennsylvania. The property is immediately adjacent to other university property and was recently used as a daycare center. The university currently owns most of the other property along that street.

The property includes a 4,000-square-foot, three-story wood-frame building constructed as a single-family home in 1900. The lot totals approximately 0.37 acres and includes 13 parking spaces.

The condition of the building is below average. In the near term, the university intends to use the building for temporary offices. The property, combined with the adjacent one on 30 West Rosedale Avenue, provides a potential future building site. The asking price for the property is \$585,000.

MOTION: That the Board of Governors approve West Chester University's acquisition of the property at 28 West Rosedale Avenue, West Goshen Township, Pennsylvania.

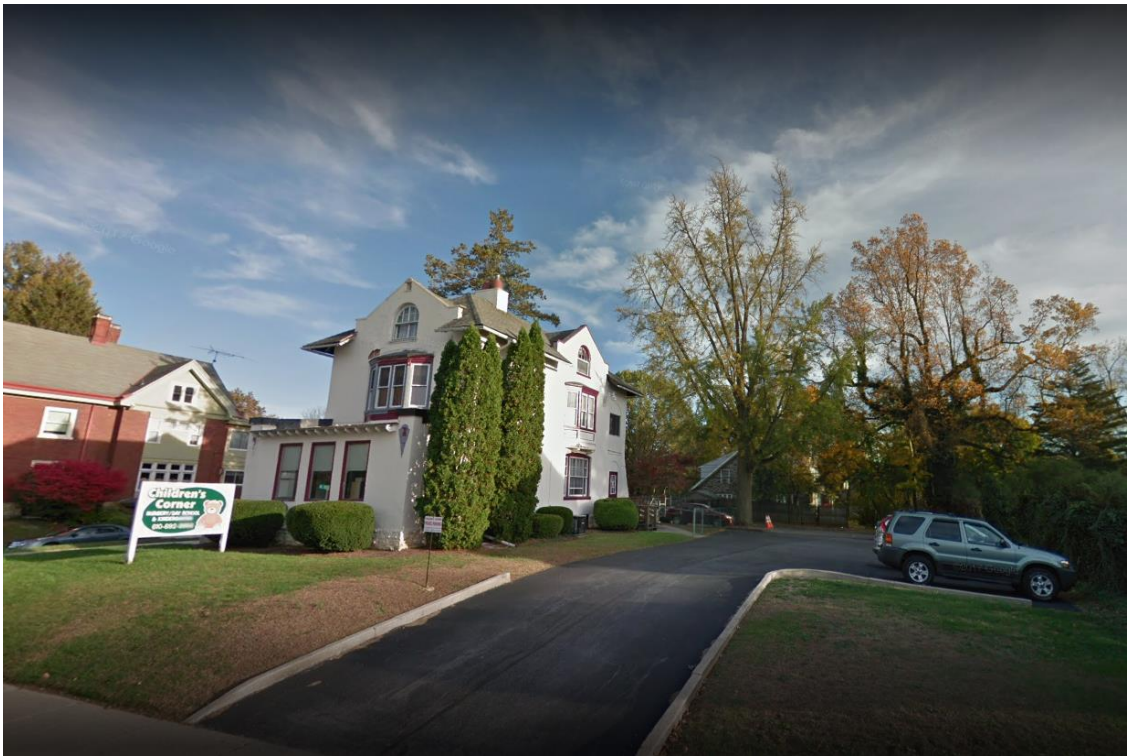
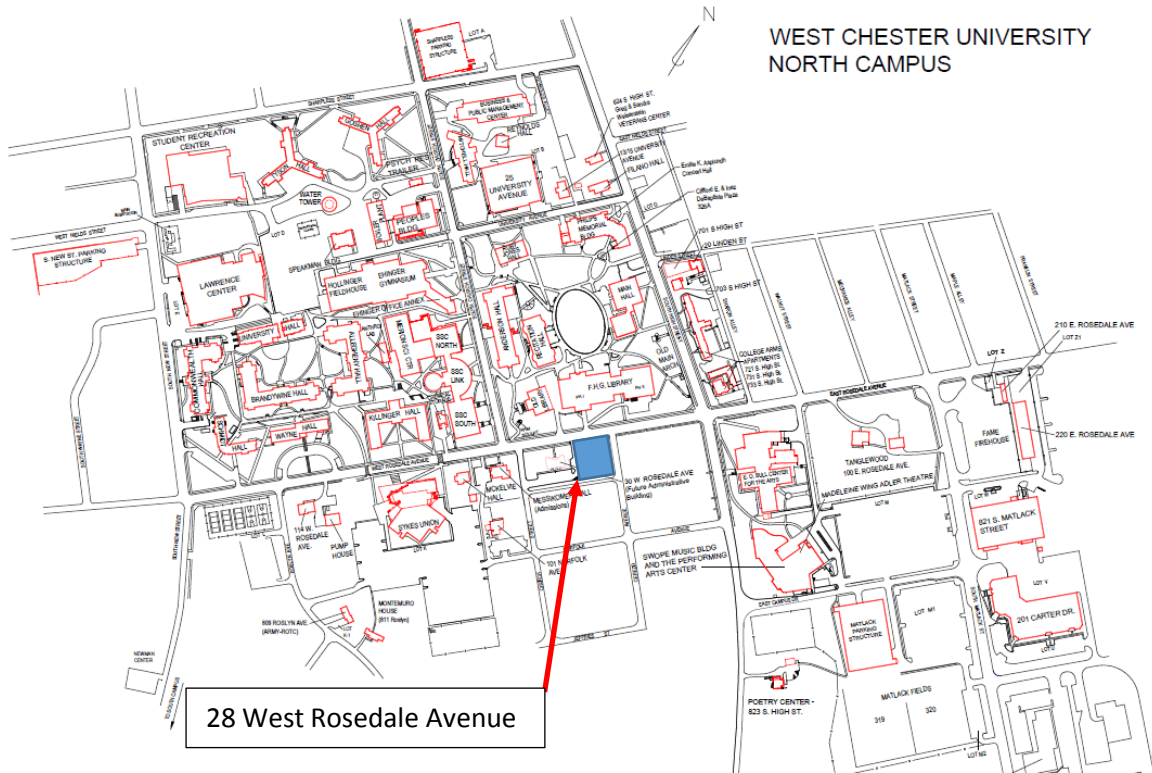
Supporting Documents Included: Property Map and Photo

Other Supporting Documents Available: Real Property Acquisition Planning Data

Reviewed and Recommended by: Finance, Administration, and Facilities Committee,
September 27, 2017

Prepared by: James S. Dillon

Telephone: (717) 720-4100



28 West Rosedale Avenue, West Goshen Township

Board of Governors Meeting
October 18–19, 2017

SUBJECT: System Redesign (DISCUSSION)

UNIVERSITIES AFFECTED: All

BACKGROUND: The Board will engage in a discussion regarding efforts to create a strategic direction for the future of the State System and to transform its own operations to support the State System's top priorities.

Since 2016, the Board has been conducting a Strategic System Review, which has been a top-to-bottom evaluation of the entire System. The review resulted in a number of recommendations that the Board of Governors has been analyzing over the summer.

Based on its analysis and on discussions with stakeholders—students, faculty, staff, trustees, and others—the Board will focus its attention on three top priorities: 1) ensuring student success; 2) leveraging the strengths of each university; and 3) transforming the leadership/governance structure. A work plan is being developed that will outline actions for the System to pursue in the coming months and years as it moves from “System Review” to “System Redesign.”

As part of the effort, the Board has begun a process to transform Board meetings, operations, and committees to align with its intention to be more oriented toward strategic policy leadership.

Supporting Documents Included: N/A

Other Supporting Documents Available: N/A

Reviewed and Recommended by: N/A

Prepared by: Peter H. Garland

Telephone: (717) 720-4010

Board of Governors Meeting
October 18–19, 2017

SUBJECT: Revision to Board of Governors Policy 2013-01: *Process for Appointment of Chancellor* (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: Board of Governors Policy 2013-01: *Process for Appointment of Chancellor*, currently requires that the Chancellor Search Committee be comprised of the executive committee of the Board of Governors. The policy does not allow for any flexibility in the composition of the search committee. The Board of Governors chair is requesting greater flexibility in the make-up of the search committee in order to be responsive to the current needs and circumstances of any particular search.

The proposed policy amendment would allow the chair of the Board to name up to three additional at-large members to the chancellor search committee. Those members would serve at the pleasure of the chair of the Board.

MOTION: That the Board of Governors approve amendments to Board of Governors Policy 2013-01: *Process for Appointment of Chancellor*, as attached.

Supporting Documents Included: Board of Governors Policy 2013-01: *Process for Appointment of Chancellor*

Other Supporting Documents Available: N/A

Reviewed and Recommended by: N/A

Prepared by: Randy Goin, Jr.

Telephone: (717) 720-4010

Board of Governors Policy 2013-01-A: Process for Appointment of Chancellor

Adopted: January 11, 2013

Amended: October XX, 2017

GREEN TEXT = PROPOSED CHANGE

A. Purpose

To prescribe the method and process by which Chancellor candidates are identified and recruited, and by which an appointment is made by the Board of Governors (hereinafter Board), pursuant to Act 188 of 1982 at 24 P.S. § 2006-A(1).

B. Search Organization

1. Chancellor Search Committee

Upon notice that the Chancellor position is or will become vacant, the Board Chairperson shall appoint a Chancellor Search Committee, which will consist of all members of the Executive Committee **and up to three at-large members who are appointed by and serve at the pleasure of the Chair of the Board of Governors.** subject to section B4 of this policy. The Board Chairperson will chair the Chancellor Search Committee, or designate a member of the Executive Committee to serve as chair.

2. Staff Liaison

The Board Chairperson shall appoint an Office of the Chancellor staff liaison to support the Chancellor Search Committee as a non-voting participant. The role of the staff liaison is to assist the Board in conducting the search in accordance with pertinent laws, policies and principles. The staff liaison will be particularly attentive to relevant provisions of Act 188, Board expectations of the Chancellor, diversity, compensation and benefit practices and sound executive search practices.

3. Consulting Expertise

Subject to the approval of the Chairperson of the Board, the Chancellor Search Committee shall select a consulting firm from the Office of the Chancellor's approved search consulting firm list maintained by the procurement office. The consulting firm will assist in all aspects of the search process, including assistance in planning for the search, undertaking a leadership needs assessment, proactively recruiting a deep and diverse pool of candidates and assisting with candidate assessment. In addition, the consulting firm will be responsible for receiving applicant information and assisting the Chancellor Search Committee in conducting reference checks and background checks.

4. Chancellor Search Committee Expectations

Upon accepting the invitation to serve on the Chancellor Search Committee, each member must formally sign a code of ethics statement that stipulates the expectations for his or her service on this committee. This code of ethics addresses the following topics:

- a. Confidentiality – Preserving confidentiality in the search for a Chancellor is essential to recruiting and retaining the most qualified candidates. All applications and deliberations about individual applications shall remain wholly confidential until the appointment of a new Chancellor is publicly announced. Each member of the search committee must agree to maintain this confidentiality. The Chancellor Search Committee Chair may at his or her sole discretion remove from the committee any member who violates confidentiality.

Results of reference, criminal and credit background checks and degree verification information collected by the search consulting firm for candidates invited to interview at the Office of the Chancellor will be provided confidentially to the Chair of the Chancellor Search Committee and the staff liaison. To further ensure confidentiality, contact will not be made with the candidates' current place of employment as part of the routine background information.

- b. Attendance at Meetings - Regular attendance and participation in Chancellor Search Committee meetings by all committee members is essential to the search process. Therefore, any committee member who is absent from two consecutive meetings of the Chancellor Search Committee may be excused from the committee by the Chair. A member excused by the Chair may be replaced at the discretion of the Chair with a member of the Board.
- c. Communications - The Chancellor Search Committee Chair will issue appropriate reports to the Board and PASSHE community notifying them about committee membership, meeting dates, deadlines and the overall progress of the search. Only the Chancellor Search Committee Chair or the Chairperson of the Board is authorized to speak on behalf of the Board about the search process or progress.
- d. Chancellor Involvement - The retiring, separating, or interim Chancellor shall have no direct involvement in the appointment of the new Chancellor.

C. Search Process

With the assistance of the search consulting firm, the Chancellor Search Committee will oversee the following core components of the search process:

1. Leadership Profile - The Chancellor Search Committee will proactively seek the opinions of key PASSHE stakeholders (chosen based on their knowledge of PASSHE and higher education in general) regarding the leadership priorities for the next Chancellor and the preferred professional qualifications and personal qualities. This outreach should include, but not be limited to, the following stakeholders:
 - Members of the Board of Governors
 - Executive Board of the Pennsylvania Association of Councils of Trustees (PACT)
 - Chairs of the Councils of Trustees or designees
 - Office of the Chancellor staff
 - PASSHE university Presidents
 - Leadership of PASSHE university faculty and university senates
 - Leadership of PASSHE collective bargaining units
 - PASSHE university student leaders
 - Representatives of the PASSHE Foundation
 - Commonwealth policy stakeholders and government officials.

- Insight gained from meetings and conversations with these PASSHE stakeholders will be reflected in the PASSHE Chancellor Leadership Profile, which will be prepared with the assistance of the search consulting firm and formally approved by the Chancellor Search Committee. This document will be made available to the public, and will serve as the principal recruiting resource in attracting candidates to the position.
2. Candidate Recruiting and Assessment - The Chancellor Search Committee, with the assistance of the search consulting firm, shall invite applications, conduct preliminary screening interviews, invite certain applicants for off-site interviews, invite leading applicants to confidential meetings with the Board and other selected constituents, and report its findings and recommendations to the Board.

D. Selection Procedure

1. The Chancellor Search Committee Chair shall present to the Board the names and dossiers of at least three candidates. The Chancellor Search Committee may confidentially share other information and evaluative material with the Board.
2. If one of the candidates withdraws from consideration after the report is made to the Board, the Board Chairperson, in consultation with the Executive Committee, will have the option to proceed with the search to conclusion or terminate the search and begin the process again.
3. The Board shall interview the recommended candidates and select the Chancellor. However, in the absence of a quorum of the Board, the Executive Committee may interview the recommended candidates and select the Chancellor. All interviews and deliberations will be conducted in Executive Session.
4. With the direction of the Board following its interviews and deliberations, the Chairperson of the Board will be charged to negotiate an appropriate employment agreement with a preferred candidate, provisions of which will include compensation, benefits, and other related perquisites.
5. Upon the agreement on the terms of an employment agreement for the preferred candidate, the Board will meet in public session to formally vote on this appointment. Assuming a favorable vote, the employment agreement will be formally executed with the selected candidate. The Board Chairperson will coordinate the notification of this appointment with PASSHE constituents and the appropriate public announcements.

E. Effective Date:

Effective Immediately.

Board of Governors Meeting
October 18–19, 2017

SUBJECT: Fiscal Year 2018/19 Appropriation Request (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: Educational and General (E&G) financial projections for fiscal year 2018/19 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 compensation obligations, and ongoing collective bargaining negotiations all indicate that the System will continue to face financial challenges for fiscal year 2018/19. The System's financial requirements are provided in the attached *Fiscal Year 2018/19 Educational and General Appropriation Request*.

System-wide enrollment projections for 2018/19 totaling 95,162 full-time equivalent (FTE) students reflect overall level enrollment, although estimates vary significantly by university. Revenue projections incorporate projected enrollment changes and changes in university-specific revenue sources, without consideration of changes in tuition rates or state appropriations. Overall, growth in out-of-state and graduate enrollment is projected to result in a modest increase in tuition and fee revenue. Universities have projected reductions in one-time revenue/sources, and related expenditures are eliminated as well.

The System's primary cost drivers for 2018/19 continue to be employee salaries and benefits. Compensation requirements for the System's unionized employees are established in eight separate collective bargaining agreements, of which six are effective through 2018/19. Compensation estimates incorporate similar cost increases for all bargaining units. For the first time in many years, anticipated employee healthcare and pension rate increases are similar to normal inflation.

The combined net change in revenue and anticipated mandatory expenditures total \$73.1 million. Notwithstanding the aggregate effect of creating a balanced budget, several universities will continue to face significant financial problems.

MOTION: That the Board of Governors approve a fiscal year 2018/19 E&G appropriation request of \$526,200,000.

Supporting Documents Included: *Fiscal Year 2018/19 Educational and General Appropriation Request*

Other Supporting Documents Available: Board of Governors' Finance, Administration, and Facilities Committee Agenda Items #1 and #2

Reviewed and Recommended by: Finance, Administration, and Facilities Committee, September 27, 2017

Prepared by: James S. Dillon

Telephone: (717) 720-4100

Pennsylvania's State System of Higher Education
Fiscal Year 2018/19 Educational and General Appropriation Request
As Reviewed and Recommended by Finance, Administration, and Facilities Committee on
September 27, 2017

Fiscal Year 2018/19 Financial Plan Overview

Today, Pennsylvania's State System of Higher Education receives \$453.1 million in state appropriations. Over the past three years, the Commonwealth's budget has provided the System with a combined increase in appropriations of \$40.4 million (9.8 percent), following six years of reduced or stagnant appropriations. The State System is appreciative of the increased support provided by the General Assembly and Governor Wolf, and acknowledges the continued fiscal challenges facing the Commonwealth.

Act 188 of 1982 requires the System's appropriation request be developed based upon university needs. The System's financial requirements are developed based upon university financial plans submitted in adherence to specific guidelines, as described in the Finance, Administration, and Facilities Committee Agenda Item #1. The 2018/19 financial plan continues to emphasize the prudent and strategic use of available resources and provides for limited increases in basic operating costs.

While state appropriations support only 27 percent of the System's Educational and General (E&G) budget, most System universities continue to experience enrollment declines with a corresponding adverse effect on tuition and fee revenues. At the same time, mandatory expenditure requirements 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.

System universities began 2017/18 with a System-wide budgetary gap of approximately \$38 million, resulting from mandatory cost increases that exceed available revenue. This continues the ongoing trend of cost savings strategies employed by the System universities as mandatory expenditure requirements continually eclipse annual revenue each year. Although universities have eliminated an estimated \$360 million in base budget costs over the last 13 years, the universities continue to streamline administrative processes and academic offerings; strategically redirect resources; implement efficiency initiatives; and aggressively manage physical, financial, and human resources.

In addition to the targeted cost savings mentioned above, universities continually reinvest existing resources into new and higher priority strategic areas. Universities reinvest into high need areas, such as new academic programs, strategic enrollment management, student success and affordability, instructional technology expansion and campus-wide technology upgrades, distance education, and academic facilities renovation. These efforts are essential to ensure the continued alignment of academic programs with workforce needs, while attracting, retaining, and graduating students of diverse backgrounds, serving them through various delivery modalities and student-focused learning.

The following adjustments are reflected in the System's 2018/19 E&G financial plan, as presented in Table 1.

Enrollment

Preliminary fall 2017 enrollment statistics indicate a continuing enrollment decline at all but four System universities—due primarily to a declining number of high school graduates—resulting in an overall reduction of approximately 2,300 full-time equivalent (FTE) students, or 2.4 percent. Four universities anticipate continued reductions in enrollment for 2018/19; however, anticipated increases at the other universities result in enrollment staying essentially at the same level as 2017/18. However, enrollment projections vary significantly by university.

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 to meet the needs of students and the Commonwealth. Through a combination of retirements, voluntary separations, and furloughs, the System has approximately 1,000 fewer permanent employees today than eight 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 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 placeholder until university plans have been finalized.

2018/19 Anticipated Revenue

Tuition and Fees—Assuming no change in the System's tuition rates, university revenue estimates reflect a \$5.5 million increase in tuition and fee revenue attributed to projected increases in enrollment at nine universities, changes in the mix of students (e.g., full-time versus part-time, residency, and student level), and implementation of pricing flexibility pilots and other alternative pricing strategies at 12 universities.

State Appropriation—The state appropriation in Table 1 reflects continued funding of the E&G appropriation at its current level of \$453.1 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 as the System constantly advocates for funding.

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 implementation of new academic programs, major equipment purchases and upgrades, facilities improvements, and transitions through demographic changes. Universities also reflect a Planned Use of Carryforward in 2017/18 to partially fund ongoing expenses as a transitional tool, while implementing multiyear realignments of programs and workforce needs. The reduced reliance on Carryforward in 2018/19 supports a corresponding

anticipated reduction in expenditures through sustainable restructuring and completion of one-time capital projects and academic initiatives.

Anticipated Expenditures

Salaries and Wages—State System universities operate in a competitive environment for faculty and staff. In order to continue to recruit and retain a talented work force, pay increases associated with all employee groups that have collective bargaining agreements in place have been addressed in the 2017/18 and 2018/19 estimates. The collective bargaining agreement for the employees in the Security, Police, and Fire Professionals of America (SPFPA) union expired on August 31, 2017, and the agreement for with the Association of Pennsylvania State College and University Faculties (APSCUF) union for faculty will expire on June 30, 2018. Even though the results of negotiations of these contracts is unknown at this time, compensation adjustments for employees in these two unions have been built into the System's financial requirements, similar to those experienced by other bargaining units. (This is not a bargaining position.) Compensation for 2018/19 also incorporates an increase of 58 FTE positions, mostly faculty and staff related to projected enrollment growth, the start of 30 new and reorganized academic programs, student success and retention, and university compliance. Many of these positions have been repurposed based on critical needs analyses that universities conduct when positions are vacated. These combined changes in compensation requirements and complement generate an estimated increase in employee salaries and wages of \$33.6 million, or 4.0 percent, in 2018/19. These pay adjustments also generate a corresponding fiscal impact on social security and retirement benefit costs.

Employee Benefits—For the first time in many years, the System's anticipated increases in retirement and healthcare are projected to be similar to overall inflation, rather than at the significantly higher rates that have become customary. Overall, 2018/19 employee benefits expenditures are expected to increase \$15.5 million, or 3.8 percent.

Approximately half of the System's employees have chosen one of the two primary Commonwealth pension programs, State Employees' Retirement System (SERS) and Public School Employees' Retirement System (PSERS) as their retirement vehicle. In accordance with Commonwealth budget guidelines, the most common SERS employer contribution rate is projected to increase 0.3 percent to 34.54 percent of salaries. PSERS rates are expected to increase 2.2 percent. Retirement rates associated with the alternative retirement programs remain the same, although retirement and social security costs increase as salaries and wages increase. The combined fiscal impact of pension rate changes alone will cost the System an additional \$2.4 million in 2018/19; total retirement costs are expected to increase 6.3 million, or 4.6 percent.

Of those employees who receive health benefits, approximately 65 percent are enrolled in the System's healthcare program. The employer share of health care rates for active and annuitant employees within the System-managed programs is expected to increase an average of 3.0 percent next year for employees and retirees, based upon a combination of national trends, the System's healthcare experience, participation in the wellness program, and the anticipated change in complement. The remaining 35 percent of System employees receive healthcare through the Pennsylvania Employees Benefit Trust Fund (PEBTF). The Commonwealth budget guidelines include a 2.8 percent increase in the 2018/19 employer contribution rates for employees, and contribution rates for retiree healthcare will remain at the same level as 2017/18. Combined healthcare costs are anticipated to increase \$6.4 million, or 3.5 percent.

Student Financial Aid—In April 2014, the Board of Governors amended Board of Governors' 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 the budget summary. Significant growth in the use of institutional unrestricted resources for student aid is reflected in 2017/18, corresponding with the recent flexibility provided by Board policy and expectations regarding affordability of pricing flexibility pilots. E&G student aid expenditures in 2018/19 are expected to grow \$2.0 million, or 3.8 percent, to almost \$56 million, representing a 63 percent increase over five years in university-funded assistance going directly to students and their families.

All Other Basic Operating Expenditures—Given the current fiscal environment, universities continue to limit nonmandatory spending. Therefore, anticipated expenditures for all other services, supplies, and materials are projected to remain stable.

The System's 2018/19 utilities costs are anticipated to increase \$0.57 million, or 2.2 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 contracts and some universities converting to more efficient energy sources. In total, expenditures on services, supplies, institutional aid for students, and utilities are estimated to increase \$0.5 million, or 0.1 percent.

Capital Expenditures and Transfers—Capital expenditures and transfers, which primarily represent each university's investment in its physical resources from the E&G budget, are projected to increase by \$11.3 million, or 17.0 percent, of which \$10.2 million is attributed to debt reduction and \$1.1 million is associated with specific facilities projects.

As described above, the System's anticipated 2018/19 expenditure requirements are driven primarily by known and anticipated mandatory cost increases in salaries and wages, pension programs, and health care costs. Assuming no change in the System's E&G appropriation or tuition rates, the System-wide expenditure requirements, partially offset by university revenue adjustments, result in a 2018/19 requirement of \$73.1 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. A \$73.1 million increase in the State System's E&G appropriation would ensure continued access to and affordability of a high quality education for the citizens of this Commonwealth. Full funding at this level supports student success, allowing the Board of Governors to hold down the cost of tuition while providing an excellent educational experience for students.

A greater investment from the Commonwealth in its public universities will lead to greater affordability and cost predictability for Pennsylvania students and their families. Pennsylvania traditionally has ranked low in its funding of students in public higher education, even with its commitment to state-funded financial aid. The most recent national data (2016) indicates state funding per student at public universities averages \$7,116 per year. This year's average State System appropriation per student is \$4,760, or 67 percent of the national average. A commitment from the Commonwealth to increase its investment in State System students by \$73.1 million would increase this funding per student to over \$5,500, moving the System closer to the national average. Doing so would mitigate the economic risk for students and families attempting to attain

a college education, while ensuring the availability of a strong, educated workforce for Pennsylvania.

Funding of the System's 2018/19 financial 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 funding commitment at this level from the Commonwealth for its students at state-owned universities will facilitate making the fundamental changes that are both necessary and largely inevitable to ensure Pennsylvania students succeed.

While the question of tuition for 2018/19 will not be considered by the Board until its July 2018 meeting, at this time it is estimated that if the System received \$73.1 million in additional funding from the Commonwealth, tuition could be held level for the year.

On September 27, 2017, the Finance, Administration, and Facilities Committee recommended that the Board of Governors approve an appropriation request of \$526.2 million, an increase of \$73.1 million, to fully fund the System's financial requirements.

Table 1
Pennsylvania's State System of Higher Education
Fiscal Year 2018/19 Educational and General Financial Plan
As Reviewed and Recommended by Finance, Administration, and Facilities Committee on
September 27, 2017

| (\$ in Millions) | | | | | | | |
|--|------------------|------------------|----------------|------------------|----------------|----------------|--|
| Revenue/Sources | FY 2016/17 | FY 2017/18 | Percent Change | FY 2018/19 | Change | Percent Change | |
| Tuition | \$877.5 | \$894.4 | 1.9% | \$899.9 | \$5.5 | 0.6% | |
| Fees | 206.7 | 208.8 | 1.0% | 210.6 | 1.8 | 0.9% | |
| State Appropriation | 444.2 | 453.1 | 2.0% | 526.2 | 73.1 | 16.1% | |
| All Other Revenue | 94.4 | 80.2 | -15.1% | 80.6 | 0.4 | 0.5% | |
| Planned Use of Carryforward | 4.7 | 26.1 | 456.9% | 9.5 | (16.6) | -63.6% | |
| Total Revenue/Sources | \$1,627.5 | \$1,662.6 | 2.2% | \$1,726.8 | \$64.2 | 3.9% | |
| Expenditures and Transfers | | | | | | | |
| Compensation Summary: | | | | | | | |
| Salaries and Wages | \$816.4 | \$838.1 | 2.7% | \$871.7 | \$33.6 | 4.0% | |
| Benefits | 392.2 | 413.3 | 5.4% | 428.9 | 15.5 | 3.8% | |
| Subtotal, Compensation | \$1,208.5 | \$1,251.4 | 3.5% | \$1,300.6 | \$49.2 | 3.9% | |
| Student Financial Aid | 48.0 | 53.5 | 11.4% | 55.5 | 2.0 | 3.8% | |
| Utilities | 29.0 | 29.7 | 2.5% | 30.4 | 0.7 | 2.2% | |
| Other Services and Supplies | 245.6 | 264.4 | 7.7% | 262.3 | (2.2) | -0.8% | |
| Subtotal, All Services and Supplies | \$322.5 | \$347.6 | | \$348.1 | \$0.5 | | |
| Capital Expenditures and Transfers | 79.8 | 66.8 | -16.3% | 78.1 | 11.3 | 16.9% | |
| Total Expenditures and Transfers | \$1,610.9 | \$1,665.8 | 3.4% | \$1,726.8 | \$61.0 | 3.7% | |
| Revenue/Sources Less Expenditures/Transfers | \$16.6 | (\$3.2) | | \$0.0 | | | |
| Annualized FTE Enrollment | | | | | | | |
| | FY 2016/17 | FY 2017/18 | Percent Change | FY 2018/19 | Change | Percent Change | |
| In-State Undergraduate | 76,030.39 | 73,990.67 | -2.7% | 73,829.54 | (161.13) | -0.2% | |
| Out-of-State Undergraduate | 9,912.64 | 9,339.63 | -5.8% | 9,403.16 | 63.53 | 0.7% | |
| In-State Graduate | 9,027.43 | 9,203.05 | 1.9% | 9,283.38 | 80.34 | 0.9% | |
| Out-of-State Graduate | 2,508.49 | 2,647.50 | 5.5% | 2,646.01 | (1.49) | -0.1% | |
| Total FTE Enrollment | 97,478.95 | 95,180.84 | -2.4% | 95,162.09 | (18.75) | 0.0% | |
| E&G FTE of Budgeted Positions | | | | | | | |
| | FY 2016/17 | FY 2017/18 | Percent Change | FY 2018/19 | Change | Percent Change | |
| Faculty | 5,229.22 | 5,212.27 | (16.95) | 5,230.16 | 17.89 | 17.89 | |
| AFSCME | 2,996.29 | 2,990.93 | (5.37) | 3,004.87 | 13.94 | 13.94 | |
| Nonrepresented | 1,517.18 | 1,537.65 | 20.47 | 1,557.12 | 19.46 | 19.46 | |
| SCUPA | 535.19 | 547.01 | 11.82 | 548.89 | 1.88 | 1.88 | |
| All Other | 628.39 | 630.89 | 2.50 | 636.19 | 5.30 | 5.30 | |
| Total FTE of Budgeted Positions | 10,906.26 | 10,918.75 | 12.48 | 10,977.23 | 58.48 | 58.48 | |