

**Board of Governors  
of the  
Pennsylvania State System of Higher Education**

**Meeting Minutes**

132nd Meeting  
Thursday, October 12, 2006  
Boardroom, First Floor  
Administration Building  
2986 North Second Street  
Harrisburg, PA 17110-1201

9:00 a.m.

**ATTENDING:**

**Board of Governors:**

Representative Matthew E. Baker  
Mr. John M. Brinjac (designee for Governor Edward G. Rendell)  
Ms. Marie Conley Lammando  
Mr. Paul S. Dlugolecki  
Mr. Daniel P. Elby  
Representative Michael K. Hanna  
Senator Vincent J. Hughes  
Mr. Kenneth M. Jarin (*Chair*)  
Mr. Kyle J. Mullins  
Mr. Joshua A. O'Brien  
Ms. Allison C. Peitz  
Mr. C.R. "Chuck" Pennoni  
Mr. Guido M. Pichini  
Mr. Aaron A. Walton

Mr. David P. Holveck, Mr. Kim E. Lyttle, Ms. Christine J. Torette Olson, Senator James J. Rhoades and Secretary Gerald L. Zahorchak were absent.

**Office of the Chancellor:**

Dr. Judy G. Hample (*Chancellor*)  
Jeffrey Cooper, Esquire  
Mr. James S. Dillon  
Dr. Peter H. Garland  
Mr. Thomas M. Krapsho  
Mr. Kenneth D. Marshall  
Dr. Khalil Yazdi

Also in attendance for participation or in support of committee/Board activities from the Office of the Chancellor were: Ira Blake, Lou Bohl-Fabian, Charmaine Clowney, Ginger Coleman, Steven Dupes, Audrey Guistwhite, Robert Hails, Kathleen Howley, Lois Johnson, Lou Ann Kauffman, Jeff McCloud, Jim Moran, Donald Passmore, Bonnie Westhafer and Eric Zeglen.

University Presidents in attendance: Madeleine Wing Adler, Angelo Armenti, Jr., Wallace C. Arnold, Tony Atwater, F. Javier Cevallos, Robert J. Dillman, Joseph P. Grunenwald, G. F. "Jody" Harpster, Jessica S. Kozloff, Maravene S. Loeschke, Keith T. Miller, Francine G. McNairy, Frank G. Pogue, Jr. and Robert M. Smith.

Chairman Jarin called the meeting to order. He noted that two Board members were participating by telephone. Attendance taken at the direction of the Chairman established that a quorum of the Board was present.

The Pledge of Allegiance was recited by those in attendance.

### **APPROVAL OF THE MINUTES OF THE JULY 13, 2006 MEETING**

Chairman Jarin noted that the minutes of the July 13, 2006 meeting were distributed prior to the meeting. The Chairman moved **THAT THE MINUTES OF THE JULY 13, 2006 MEETING BE APPROVED**. The motion passed unanimously.

### **REMARKS OF THE CHAIR**

Chairman Jarin welcomed fellow Board members, Chancellor Hample, University Presidents, staff and guests to the Board of Governors' meeting.

He extended a special welcome to two new student members of the Board, Joshua O'Brien, President of the Community Government Association at Bloomsburg University, majoring in political science/public administration and communications; and Kyle Mullins, President of the Student Government Association at West Chester University, majoring in political science.

Chairman Jarin reported that the Board met in executive session from 9:10 a.m. to 11:10 a.m. for the purpose of discussing personnel matters. As a result of the Executive Session, two supplemental agenda items have been added and will be considered by the Board.

The Chairman acknowledged the passing in August of Mr. F. Eugene Dixon, Jr., who served for more than 17 years as Chairman of the Board of Governors. Mr. Dixon spent much of his life shaping higher education in Pennsylvania, through the gifts of his time, his talents and his resources.

Chairman Jarin stated that Mr. Dixon helped give life to the Pennsylvania State System of Higher Education, directing its creation and development from the very beginning. Mr. Dixon was named to the Board of Governors by then-Governor Dick Thornburgh in January 1983, shortly after PASSHE's creation. He subsequently was reappointed to the Board by both

Governor Robert P. Casey and Governor Tom Ridge. His colleagues on the Board elected him Chairman every year of his tenure.

The Chairman noted that it was Mr. Dixon's vision that allowed the PASSHE Universities to grow in stature as they evolved into truly comprehensive institutions of higher learning, with outstanding reputations in the academic community. He stated that hundreds of thousands of graduates of the 14 PASSHE Universities owe much to Mr. Dixon and to his nearly two decades of dedicated and committed service to PASSHE and the Board of Governors.

The Chairman stated that Mr. Dixon very early on in his tenure on the Board recognized that private fundraising would be essential to the long-term success of the Universities. He challenged the Universities to become active in this area, and committed more than \$1 million to help them get started. Today, the Universities combined raise about \$40 million annually.

Chairman Jarin noted that Mr. Dixon's volunteer service to higher education extended beyond the State System. He chaired the boards of both Temple and Widener Universities and also served on the boards of both the University of Pennsylvania and Lafayette College. The Commonwealth and its citizenry are indebted to this icon of public service.

Chairman Jarin reported that the Board met in Executive Session from 9:10 a.m. to 11:10 a.m., for the purpose of discussing personnel matters. As a result of the Executive Session, two additional Human Resources items were added to the agenda requiring Board approval.

Chairman Jarin called on Chancellor Judy Hample for her report.

## **REPORT OF THE CHANCELLOR**

Chancellor Hample welcomed those in attendance and provided a special welcome to the two new student members of the Board, Joshua O'Brien and Kyle Mullins. Chancellor Hample noted the importance of their serving on the Board. She stated that they represent the views of more than 109,000 students and will have input and vote on decisions made by the Board.

Chancellor Hample's oral report to the Board included the following highlights:

- Mansfield University hosted more than 100 trustees at the Fall 2006 conference of the Pennsylvania Association of Councils of Trustees (PACT). PACT's spring conference will be held at West Chester University on April 25-27, 2007.
- The Board of Student Government Presidents (BSGP) held their first meeting of the year on September 16. The BSGP represents the 14 System Universities' student organizations by exchanging ideas, discussing common interests and problems and working to influence policy decisions. One topic for discussion will be the examination of music piracy and the possibility of offering a System-wide service that allows legal downloading.

- PASSHE has employees in seven different bargaining units. PASSHE has been in contract negotiations with the seven labor unions since July 2006.
- PASSHE ratified a new collective bargaining agreement with the State College and University Professional Association (SCUPA). The new agreement runs through June 30, 2007.

Chancellor Hample's written report to the Board includes highlights on University accomplishments and activities, fundraising, grants and awards, student and faculty recognition, and university and community partnerships (Attachment #1).

## **PUBLIC COMMENTS**

Dr. Patricia Heilman, president of APSCUF, addressed the Board. Dr. Heilman expressed concern that PASSHE's proposed appropriations request for 2007-08 does not reflect salary increases for faculty and staff. She stated that students should not be led to believe that tuition increases are tied to contract negotiations.

Dr. Heilman shared data comparing Pennsylvania with other states on college affordability, state appropriation funding, and student indebtedness. She noted that the Board of Governors' 10% limit on out-of-state enrollment places PASSHE Universities at a disadvantage. A significant portion of state revenues earmarked for higher education are directed to the PHEAA State Grant program where private universities and out-of-state students benefit through the Institutional Assistance Grants.

Dr. Heilman informed the Board that the APSCUF Legislative Assembly passed a motion in September 2006 to contribute \$10,000 to the Pennsylvania State System of Higher Education Foundation to establish the Fitz Dixon Memorial Scholarship. Dr. Heilman asked PASSHE and members of the Board of Governors to match the donation.

## **COMMITTEE REPORTS WITH RELATED ACTIONS**

Chairman Jarin announced that two Board members were participating by telephone and that roll call votes would be taken.

### **A. Academic and Student Affairs Committee**

Mr. Walton presented the report on behalf of the Academic and Student Affairs Committee. The Committee reviewed three information items: PASSHE University Enrollments for Fall 2006; a report on University Program Reviews for 2005-06; and the Dixon University Center Academic Consortium Enhancement Plan. The Committee has one new academic program to recommend to the Board for approval.

Mr. Walton moved **THAT THE BOARD OF GOVERNORS APPROVE THE NEW MASTER OF SCIENCE IN EMERGENCY MANAGEMENT DEGREE PROGRAM AT MILLERSVILLE UNIVERSITY OF PENNSYLVANIA**. Chairman Jarin requested that a roll call vote be taken. The motion passed unanimously.

**B. Advancement Committee**

Chairman Jarin presented the report on behalf of the Advancement Committee. The Committee received information on the Return on Investment Report and an update on Governmental Relations. There were no action items to report.

**C. Audit Committee**

Chairman Jarin presented the report on behalf of the Audit Committee. The Committee has one item to recommend to the Board for approval.

Chairman Jarin moved **THAT THE BOARD OF GOVERNORS APPROVE AMENDMENTS TO BOARD OF GOVERNORS' POLICY 1991-06-A, STATE SYSTEM AUDIT POLICY (Attachment #2)**. Chairman Jarin requested that a roll call vote be taken. The motion passed unanimously.

**D. Finance, Administration, and Facilities Committee**

Mr. Pennoni presented the report on behalf of the Finance, Administration, and Facilities Committee. The Committee reviewed three information items and has five items to recommend to the Board for approval.

Mr. Pennoni moved **THAT THE BOARD OF GOVERNORS APPROVE THE ATTACHED EDUCATIONAL AND GENERAL OPERATING BUDGETS FOR PASSHE ENTITIES FOR FISCAL YEAR 2006-07 (Attachment #3)**. Chairman Jarin requested that a roll call vote be taken. The motion passed unanimously.

Mr. Pennoni moved **THAT THE BOARD OF GOVERNORS APPROVE THE FOLLOWING 2007-08 APPROPRIATIONS REQUEST (Attachment #4):**

Educational and General .....	\$495,679,000
Program Initiatives .....	\$21,414,000
Performance Funding .....	\$9,914,000
Shared Administrative System .....	\$5,000,000
Economic Development .....	\$5,000,000
Educator Excellence .....	\$1,500,000
Diversity and Equal Opportunity .....	\$1,676,000
McKeever Environmental Learning Center .....	\$563,000
Pennsylvania Center for Environmental Education .....	\$380,000

And, that the Board of Governors approve continuation of a Performance Funding pool for 2007-08 equal to 8% of the E&G appropriation. If the performance funding component of the Program Initiatives line item request is not funded fully, then the balance will be funded through the E&G appropriation. Chairman Jarin requested that a roll call vote be taken. The motion passed unanimously.

Mr. Pennoni asked the Board to consider the following motions as a group.

He moved that:

**THE BOARD OF GOVERNORS APPROVE EAST STROUDSBURG UNIVERSITY'S PROPOSED PURCHASE OF THE PROPERTY AT 145 RIDGEWAY STREET;**

**THE BOARD OF GOVERNORS APPROVE LOCK HAVEN UNIVERSITY'S PROPOSED PURCHASE OF 13.88 ACRES OF VACANT LAND;**

**THE BOARD OF GOVERNORS APPROVE MILLERSVILLE UNIVERSITY'S PROPOSED PURCHASE OF 8 SOUTH GEORGE STREET, MILLERSVILLE BOROUGH;**

**THE BOARD OF GOVERNORS APPROVE SLIPPERY ROCK UNIVERSITY'S REQUEST TO GRANT AN EASEMENT FOR MUNICIPAL ROAD IMPROVEMENTS ALONG AND THROUGH THE CAMPUS;**

**THE BOARD OF GOVERNORS APPROVE SLIPPERY ROCK UNIVERSITY'S REQUEST TO CONSTRUCT AN ADDITION TO THE ALUMNI HOUSE;**

**THE BOARD OF GOVERNORS APPROVE THE DISPOSAL OF PROPERTY NECESSARY TO SATISFY THE COURT ACTIONS RELATED TO THE MAIZE SUNFIRE OBSERVATORY AT EDINBORO UNIVERSITY;**

**THE BOARD OF GOVERNORS APPROVE EAST STROUDSBURG UNIVERSITY'S REQUEST TO BOND FINANCE A GESA PROJECT NOT TO EXCEED \$10.2 MILLION; AND**

**THE BOARD OF GOVERNORS APPROVE THE FISCAL YEAR 2006-07 CAPITAL SPENDING PLAN AND ENDORSE THE TENTATIVE PLAN FOR FISCAL YEARS 2007-08 THROUGH 2010-11.**

Chairman Jarin requested that a roll call vote be taken. The motions passed unanimously.

#### **E. Human Resources Committee**

Ms. Marie Conley Lammando presented the report on behalf of the Human Resources Committee. The Committee has three items to recommend to the Board for approval.

Ms. Conley Lammando moved **THAT THE BOARD OF GOVERNORS RATIFY THE COLLECTIVE BARGAINING AGREEMENT AS NEGOTIATED BETWEEN PASSHE AND SCUPA.** A roll call vote was taken and the motion passed unanimously.

Ms. Conley Lammando moved **THAT THE BOARD OF GOVERNORS, HAVING EVALUATED THE UNIVERSITY PRESIDENTS AND HAVING ACCEPTED A POSITIVE RECOMMENDATION FROM THE RESPECTIVE UNIVERSITY COUNCILS OF TRUSTEES IN ACCORDANCE WITH BOARD POLICY, EXTEND THE CONTRACTS THROUGH JUNE 30,**

2009, FOR ANGELO ARMENTI, JR., JOSEPH P. GRUNENWALD, ROBERT J. DILLMAN, TONY ATWATER, F. JAVIER CEVALLOS, KEITH T. MILLER, FRANCINE G. MCNAIRY, ROBERT M. SMITH AND MADELEINE WING ADLER. A roll call vote was taken and the motion passed unanimously.

Ms. Conley Lammando moved THAT IN THE ABSENCE OF A QUORUM OF THE BOARD OF GOVERNORS, THAT THE EXECUTIVE COMMITTEE BE AUTHORIZED TO APPROVE THE APPOINTMENT OF A PRESIDENT FOR SHIPPENSBURG UNIVERSITY OF PENNSYLVANIA FROM THOSE CANDIDATES RECOMMENDED TO THE CHANCELLOR AND TO THE BOARD BY THE UNIVERSITY COUNCIL OF TRUSTEES AT THE CONCLUSION OF THE INTERVIEW PROCESS AND FURTHER, THAT THE CHAIRMAN OF THE BOARD AND THE CHANCELLOR BE AUTHORIZED TO NEGOTIATE AN EMPLOYMENT CONTRACT IN ACCORDANCE WITH BOARD POLICY. A roll call vote was taken and the motion passed unanimously.

**F. Executive Committee**

Chairman Jarin presented the report on behalf of the Executive Committee. The Committee received a report on the System Accountability Program.

**ANNOUNCEMENT**

Chairman Jarin announced that the next quarterly Board of Governors' meeting is scheduled for January 10-11, 2007.

**ADJOURNMENT**

There being no further items of business to come before the Board, the Chairman adjourned the meeting at 12:00 p.m.

ATTEST:

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Peter H. Garland  
Secretary to the Board

**Highlights from the  
Pennsylvania State System of Higher Education  
(PASSHE)  
October 12, 2006**

***University Accomplishments  
and Other Noteworthy Activities***

**Cheyney University of Pennsylvania** has had its accreditation reaffirmed by the Middle States Commission on Higher Education. The Commission's action came at the conclusion of a nearly 2½-year process, which included an extensive self-study, as well as several campus visits by Commission representatives.

**Indiana University of Pennsylvania** also has been awarded continuing accreditation by the Middle States Commission on Higher Education. The University received noteworthy accolades for its "exemplary" comprehensive self-study and for its "outstanding faculty, student services and information technology."

**East Stroudsburg University of Pennsylvania's** Bachelor of Science degree program in exercise science and master's degree program in clinical exercise physiology both have received initial accreditation by the Commission on Accreditation of Allied Health Education Programs (CAAHEP). Additionally, the National Strength and Conditioning Association (NSCA) and the American College of Sports Medicine (ACSM) both have endorsed the University's Bachelor of Science in exercise science curriculum. ESU's exercise science program is one of only five such programs in the United States to achieve accreditation.

**East Stroudsburg University's** athletic training education program has been awarded continuing accreditation by the Commission on Accreditation of Athletic Training Education (CAATE). The seven-year award (the highest evaluation) is based on the results of a comprehensive self-study report and the findings of an on-site campus visitation by members of the Commission. The program at ESU is one of the oldest and most highly



regarded athletic training programs in the Commonwealth, having been nationally approved or accredited since 1975.

**Bloomsburg University of Pennsylvania's** Bachelor of Science program in health physics recently became only the third program in the nation to be accredited by the Accreditation Board for Engineering and Technology's (ABET) Applied Science Accreditation Commission. The program provides students with knowledge and skills necessary to pursue careers devoted to protecting public health and the environment from potential radiation hazards.

**California and Shippensburg Universities of Pennsylvania's** computer science programs both have earned national accreditation from the American Board of Engineering and Technology (ABET). The accreditation is based on a review of course materials, student projects and sample assignments and interviews with faculty, administrators and alumni. The two programs join those at **Millersville** and **Slippery Rock Universities of Pennsylvania** to have earned ABET accreditation.

**California University of Pennsylvania's** graduate athletic training education program has received full, five-year accreditation from the National Athletic Trainers Association (NATA). The program, which over the last five years has a 100 percent placement rate for its graduates, is one of only 12 in the United States to receive NATA accreditation, and the only one at a National Collegiate Athletic Association (NCAA) Division II school.

**Mansfield University of Pennsylvania's** Bachelor of Science in Nursing (BSN) program has been granted continuing accreditation by the National League for Nursing Accrediting Commission (NLNAC). The University's Master of Science in Nursing (MSN) was granted initial accreditation by NLNAC. The BSN program received full continuing accreditation for eight years and the MSN program received full initial accreditation for five years. Both are the maximum time allowed for accreditation.

**Shippensburg University of Pennsylvania's** John L. Grove College of Business is listed in The Princeton Review's just-published book, *The Best 282 Business Schools in the Nation*. The

College is one of 45 business schools that was added to the 2007 edition of the prestigious guidebook.

**Indiana University of Pennsylvania** is included in the newest editions of The Princeton Review's *Best 361 Colleges in the Nation* and *222 Best Northeastern Colleges*. **California, Cheyney, Kutztown, Shippensburg, Slippery Rock and West Chester Universities of Pennsylvania** also are included among those listed in the regional guide.

**Kutztown University of Pennsylvania** received the U.S. Hispanic Chamber of Commerce (USHCC) Foundation's *President's Award* at the Foundation's annual gala held last month in Philadelphia. Kutztown received the honor, one of two major awards presented at the event, for its outreach to the Hispanic business community, demonstrated by the launching of the Latino Business Resource Center, a division of the University's Small Business Development Center (SBDC.)

**Slippery Rock University of Pennsylvania** has opened its new \$14.5-million Advanced Technology and Science Hall. A four-part lecture series titled *Science and Technology in the New Age* was held to commemorate the opening of the new facility, which houses the departments of chemistry, geology, geography and the environment and computer science.

**Clarion University of Pennsylvania** will build one of the few Leadership in Energy and Environmental Design (LEED) certified science buildings in the country. The planned \$31 million facility will replace Peirce Science Center and will be designed to meet strict requirements relating to energy usage and environmental impact.

**Shippensburg University of Pennsylvania** soon will join the Pennsylvania Network of Small Business Development Centers when its SBDC becomes the 17th center in the Commonwealth. The University's SBDC will serve Adams, Cumberland, Franklin and York counties and will provide information services, low-cost training programs, and seminars and free business consulting services to pre-venture entrepreneurs and business owners. The Center is funded as a partnership between the University and the state Department of

Community and Economic Development (DCED). Outreach sites will be established in each of the four counties to make the services easily accessible to stakeholders in the region.

### ***Fundraising, Grants and Other Awards***

**Shippensburg University of Pennsylvania** has concluded its capital campaign, *Navigating into the Future*, exceeding its \$40 million goal by raising in excess of \$50 million. Funds raised during the four-year campaign helped support the construction of the H. Ric Luhrs Performing Arts Center and Grace B. Luhrs University Elementary School, as well as scholarships, endowed chairs and professorships, joint faculty-student research and several other University programs.

**Kutztown University of Pennsylvania** has received an \$880,000 grant from the U.S. Department of Education's Office of Federal Trio Programs to assist students in the Allentown School District prepare for college. The goal of the "Talent Search Program" is to increase the number of youths from disadvantaged backgrounds who complete high school and enroll in postsecondary education institutions of their choice. The University will provide students in the school district with tutorial services, career exploration, aptitude assessments, counseling, mentoring programs, workshops and information on postsecondary institutions.

**Edinboro University of Pennsylvania** nursing students are benefiting from a \$417,000 gift from the estate of the late Shirley Roth and a \$278,000 grant from the Pennsylvania Higher Education Assistance Agency (PHEAA) that has helped boost student retention rates in the nursing program and helped more students graduate. The financial assistance has enabled the students to spend more time on their studies and less time working at outside jobs.

**Cheyney University of Pennsylvania** received a \$500,000 grant from the Commonwealth to support its Student Retention Initiative (SRI), a new pilot program designed to improve student success rates. The SRI will focus on addressing academic preparedness and barriers to success, identifying innovative retention strategies and resources and employing new models that bolster student performance.

**Millersville University of Pennsylvania** has received a \$280,000 grant from the National Science Foundation (NSF) that will help expand research opportunities in the area of meteorology. The grant will enable the University to develop collaborative efforts with other institutions that will stimulate original research and provide meaningful research training experiences for Millersville students.

**Millersville University** professor Dr. Todd Sikora has received a \$230,000 grant from the Office of Naval Research to conduct a study that could help protect recreational boaters, commercial fishermen and military marine operations from the hazards of unexpected adverse weather conditions on the open sea.

**California University of Pennsylvania** has received a \$176,835 grant from the U.S. Department of Defense and a \$125,000 grant from the Sarah Scaife Foundation to support its Government Agency Coordination Office (GACO), which assists area businesses pursue federal, state, local, corporate and export contracts and subcontracts. The Defense Department award will be used specifically to assist companies obtain defense contracts. GACO has helped regional businesses obtain more than 23,000 contracts totaling more than \$1.7 billion over the past 21 years.

**Edinboro University of Pennsylvania** has received a \$131,714 grant through the Pennsylvania Higher Education Assistance Agency's Workforce Advancement Grant for Education Program. The funds will be used to support adult students who might face financial barriers in pursuing higher education opportunities. PHEAA created the program in response to the growing number of non-traditional students on Pennsylvania campuses, who often do not have access to the financial resources that younger undergraduate students do.

The first President's Gala held at **Slippery Rock University of Pennsylvania** raised \$90,000 for student scholarships. Nearly 300 faculty, staff, students and friends of the University attended the event.

**Cheyney University of Pennsylvania** has received a \$15,000 grant from the Pennsylvania Historical and Museum Commission to support the cost of a feasibility study, design drawings and specifications for the interior renovation of the 19th century Armstrong/Glen Burnie House. Plans call for period renovation of the interior of the house, which will include museum, research and display space focusing on the Underground Railroad.

Six PASSHE Universities have been awarded grants by the Pennsylvania Liquor Control Board (PLCB) to continue their efforts to prevent underage and high-risk drinking. The grants, each worth \$11,500, were awarded to **Cheyney, Edinboro, Mansfield, Millersville, Slippery Rock and West Chester Universities of Pennsylvania.**

### ***University and Community Partnerships***

**Indiana University of Pennsylvania's** Office of Workforce Education and Economic Development in The Eberly College of Business and Information Technology helped obtain a \$250,000 grant for the Armstrong County Manufacturing Consortium. The grant from the state Department of Community and Economic Development (DCED) will be used to train employees of several Armstrong County manufacturers

**Clarion University of Pennsylvania** and West Penn Hospital School of Nursing have renewed their affiliation for another four years. The University and West Penn have worked together for more than 15 years, with Clarion offering general education classes to the students at the School of Nursing. In more recent years Clarion also has provided the hospital's nursing students the opportunity to earn an Associate of Science in Allied Health degree.

**Clarion University** also has entered into new partnerships with the Lawrence County Learning Center and the Community Education Council of Elk and Cameron counties that will allow students to earn a Master of Education degree in curriculum and instruction in three years close to their homes. Classes will be offered both online and in traditional classroom settings, which will be held in New Castle and St. Marys.

In a groundbreaking agreement aimed at boosting the vibrancy of downtown and growing the “town-gown” connection, **Lock Haven University of Pennsylvania**, its Student Cooperative Council and Downtown Lock Haven Inc., will jointly operate Lock Haven University Downtown, a storefront located on Main Street that will sell retail items related to the University. Student interns will be involved in the operation of the store and will participate in other downtown revitalization efforts.

**Kutztown University of Pennsylvania** has signed an agreement with Reading Hospital that guarantees students who graduate from the hospital’s nursing program admission to the University. Students who enroll in the hospital’s nursing program will be able to earn about half the credits needed for a bachelor’s degree. Kutztown University professors already teach some general education classes at the hospital.

### ***Student and Faculty Recognition***

Students from **Edinboro University of Pennsylvania’s** fraternities and sororities raised nearly \$20,000 and spent 6,423 hours volunteering during the 2005-2006 academic year, benefiting several community agencies, including the American Cancer Society, Make-a-Wish Foundation, St. Jude’s Children’s Miracle Network, the Susan G. Koman Breast Cancer Foundation, Habitat for Humanity, Books for Kids and United Cerebral Palsy.

**Edinboro University** professor Dr. Dale Tshudy has been appointed to the Assembling a Tree of Life project, sponsored by the National Science Foundation. The project is attempting to assemble one large “tree of life” that will be a representative genealogical map for all 1.7 million described species on earth. It will include all organisms from bacteria to humans.

**Bloomsburg University of Pennsylvania** students Victoria Yurksza and Jiayan Wu are leading the American Association of State Colleges and Universities’ (AASCU) Voter Registration Project. The goal of the non-partisan project is to register 40,000 young voters nationwide.

**Slippery Rock University of Pennsylvania** professor Nina Persi is leading a volunteer effort involving others from the University and community to raise \$40,000 for a playground that

will be built in the I Care Community Garden in New Castle. The I Care House provides educational and life-skills services to children and adults. Slippery Rock students frequently volunteer at the facility.

PA State System of Higher Education  
Board of Governors

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Effective: October 17, 1991

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*POLICY 1991-06-A: STATE SYSTEM AUDIT POLICY*

See Also:

Adopted: October 17, 1991

Amended: July 12, 2001

Amended: October 12, 2006

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I. **Audit Committee**

A. **Purpose**

The primary mission of the Audit Committee shall be to assist the Board of Governors in exercising its due care and diligence in discharging System-wide oversight and monitoring responsibilities. An important objective of the Audit Committee shall be to support and oversee the activities of the internal review group, maximizing the function's operations and value across the State System.

B. **Organization**

The Audit Committee shall be a permanent committee consisting of six members of the Board of Governors. The chairman of the Board shall appoint the chair and other members of the Audit Committee. The Audit Committee shall meet at least twice a year. The chair of the Audit Committee, however, shall have the authority to call a meeting whenever necessary. The System's chief counsel and director of the internal review group shall serve as staff to the Audit Committee.

C. **Policy**

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

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



2. Overseeing the System's internal control environment and risk assessment practices.
3. Serving as a voice on the Board of Governors and other standing committees by relaying an audit perspective when related issues are brought before the committees.
4. Providing a direct channel of communications to the Board of Governors for the System's independent public accounting firm and internal review group.

**D. Procedures**

Specific duties of the Audit Committee shall include the following:

1. Approve the appointment of the director of the internal review group, and the department's annual budget and staffing.
2. Review and approve the scope of the internal review group's annual work plan.
3. Request the performance of supplemental reviews or other audit procedures, including investigations when necessary.
4. Meet with the System's independent public accountants and director of the internal review group to review the results of their annual work. This shall include:
  - a. A review, in advance of final issuance, of the System's annual audit opinion, financial statements, and management letter;
  - b. A timely review of any significant risks, and disposition of findings and recommendations, including corrective actions taken or in progress;
  - c. At least annually, provide an opportunity for members of the Audit Committee to meet with representatives of the independent public accounting firm and the director of the internal review group, without other System management personnel present; and
  - d. A review of the disposition of audit findings and recommendations contained in reports of the Department of the Auditor General, as well as other audits by outside agencies that may arise.

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

## **II. Internal Review Group**

### **A. Purpose**

To provide policy for establishment and support of a System internal review function. In carrying out their duties and responsibilities, members of the internal review group shall have full, free, and unrestricted access to all System records, property, and personnel except where such access may be limited or barred by federal or state law, or the provisions of a relevant collective bargaining agreement. No private agreement between the System and a third party shall be used to limit the applicability of this section unless reviewed and approved by the Office of Chief Counsel.

### **B. Objectives**

1. Establish an ongoing, independent capability to review all System operations, including affiliated organizations where appropriate, to:
  - a. ensure compliance with statutes, regulations, and policies;
  - b. review reliability and integrity of financial data, operating information, and the means used to identify, measure, classify and report it;
  - c. make value-added recommendations for improvements regarding economy, efficiency, and effectiveness; and
  - d. perform appropriate follow-up procedures and assess the effectiveness of actions taken.
2. Serve as in-house management consultants to the System. University presidents and the chancellor may request assistance from the internal review group on an as needed basis to review special issues, including strategic plan initiatives, and/or conduct such audits on the campuses and in the System headquarters as may be requested.
3. Act as liaison to the Department of the Auditor General and Office of Inspector General on System matters related to inquiries, referrals, and investigations.

C. Policy

1. There shall be created an organizational element within the Office of the Chancellor known as the internal review group. The director of the internal review group shall report functionally to the Audit Committee of the Board of Governors and administratively to the System's chief counsel.
2. The internal review group shall serve as in-house management consultants to the System. University presidents and the chancellor may request assistance from the internal review group on an as needed basis to review special issues, including strategic plan initiatives, and/or conduct such audits on the campuses and in the System headquarters as may be requested.
3. A committee comprised of the System's chief counsel, director of internal review, and appropriate vice chancellor shall review and approve requests for assistance to conduct special reviews and investigations.
4. The internal review group shall follow the System's administrative directive 1991-06.01, *Procedures for Conducting Investigations*, when assisting the Audit Committee, universities, and the Office of the Chancellor in conducting investigations.
5. The internal review group's cost shall be allocated to the universities and the Office of the Chancellor based on their pro rata share of educational and general expenses.
6. The scope of work of the internal review group shall encompass all System operations, including affiliated organizations where appropriate, academic instruction by the faculty excepted.
7. University presidents and the chancellor may be requested to supplement the internal review group staffing with personnel who have special skills or training. This suggested "consultant" approach will help to minimize the permanent staffing of the internal review group.
8. University presidents shall designate a campus representative as liaison to the internal review group. The individual appointed shall be the university's internal auditor or another representative. As stated in Board of Governors' Policy 1986-01: *Audit*, "The establishment of an independent internal audit function at each university shall be advocated and respected as a responsible management practice."

9. All completed reviews, special projects, and investigations conducted by the internal review group shall be made available to the Audit Committee.

Board of Governors' Budget Request Summary  
 Bloomsburg University

Educational & General Budget					
Revenue/Sources	FY 2005-06	FY 2006-07	Percent Change	FY 2007-08	Percent Change
Tuition	\$49,675,202	\$51,723,499	4.1%	\$52,609,236	1.7%
Fees	\$7,162,813	\$7,444,016	3.9%	\$7,552,363	1.5%
State Appropriation	\$34,654,255	\$36,305,439	4.8%	\$38,531,024	6.1%
All Other Revenue	\$5,170,232	\$5,167,891	0.0%	\$5,178,808	0.2%
Use of Carryforward Fund Balance	\$0	\$0	n/a	\$0	n/a
<b>Total Revenue/Sources</b>	<b>\$96,662,502</b>	<b>\$100,640,845</b>	<b>4.1%</b>	<b>\$103,871,431</b>	<b>3.2%</b>
<b>Expenditures and Transfers</b>					
<u>Compensation Summary:</u>					
Salaries & Wages	\$50,272,169	\$55,090,093	9.6%	\$56,313,746	2.2%
Benefits	\$19,651,806	\$22,567,087	14.8%	\$23,910,681	6.0%
Subtotal, Compensation	\$69,923,975	\$77,657,180	11.1%	\$80,224,427	3.3%
Services & Supplies	\$16,900,831	\$18,148,132	7.4%	\$18,890,479	4.1%
Capital Expenditures	\$1,558,900	\$1,636,393	5.0%	\$1,706,928	4.3%
Transfers	\$8,278,796	\$3,199,140	-61.4%	\$2,331,211	-27.1%
<b>Total Expenditures and Transfers</b>	<b>\$96,662,502</b>	<b>\$100,640,845</b>	<b>4.1%</b>	<b>\$103,153,046</b>	<b>2.5%</b>
<b>Revenue/Sources less Expenditures/Transfers</b>					
	\$0	\$0		\$718,385	

Annualized FTE Enrollment					
	FY 2005-06	FY 2006-07	Percent Change	FY 2007-08	Percent Change
Resident Undergraduate	6,792.00	6,793.59	0.0%	6,837.53	0.6%
Nonresident Undergraduate	839.60	839.97	0.0%	839.47	-0.1%
Resident Graduate	602.21	601.62	-0.1%	608.42	1.1%
Nonresident Graduate	79.00	85.59	8.3%	85.63	0.0%
<b>Total FTE Enrollment</b>	<b>8,312.81</b>	<b>8,320.77</b>	<b>0.1%</b>	<b>8,371.05</b>	<b>0.6%</b>

Unrestricted E&G FTE Employees					
	FY 2005-06	FY 2006-07	Change	FY 2007-08	Change
Faculty	401.75	406.75	5.00	412.75	6.00
AFSCME	299.52	301.25	1.73	301.25	0.00
Management	82.86	83.86	1.00	83.86	0.00
SCUPA	39.02	38.27	(0.75)	38.27	0.00
All Other	47.76	48.06	0.30	48.06	0.00
<b>Total Budgeted FTE Employees</b>	<b>870.91</b>	<b>878.19</b>	<b>7.28</b>	<b>884.19</b>	<b>6.00</b>

Board of Governors' Budget Request Summary  
California University

Educational & General Budget					
Revenue/Sources	FY 2005-06	FY 2006-07	Percent Change	FY 2007-08	Percent Change
Tuition	\$38,982,368	\$42,894,455	10.0%	\$44,194,324	3.0%
Fees	\$5,301,201	\$5,763,416	8.7%	\$5,911,983	2.6%
State Appropriation	\$28,892,497	\$32,388,000	12.1%	\$34,372,671	6.1%
All Other Revenue	\$4,294,153	\$4,294,291	0.0%	\$4,452,341	3.7%
Use of Carryforward Fund Balance	(\$1,738,638)	\$0	n/a	\$0	n/a
<b>Total Revenue/Sources</b>	<b>\$75,731,581</b>	<b>\$85,340,162</b>	<b>12.7%</b>	<b>\$88,931,318</b>	<b>4.2%</b>
<b>Expenditures and Transfers</b>					
<u>Compensation Summary:</u>					
Salaries & Wages	\$41,561,032	\$46,271,171	11.3%	\$47,148,897	1.9%
Benefits	\$14,325,540	\$15,443,915	7.8%	\$16,129,063	4.4%
Subtotal, Compensation	\$55,886,572	\$61,715,086	10.4%	\$63,277,960	2.5%
Services & Supplies	\$16,505,297	\$19,290,401	16.9%	\$20,092,772	4.2%
Capital Expenditures	\$557,286	\$587,285	5.4%	\$622,734	6.0%
Transfers	\$2,782,426	\$3,747,390	34.7%	\$4,095,430	9.3%
<b>Total Expenditures and Transfers</b>	<b>\$75,731,581</b>	<b>\$85,340,162</b>	<b>12.7%</b>	<b>\$88,088,896</b>	<b>3.2%</b>
<b>Revenue/Sources less Expenditures/Transfers</b>					
	\$0	\$0		\$842,422	

Annualized FTE Enrollment					
	FY 2005-06	FY 2006-07	Percent Change	FY 2007-08	Percent Change
Resident Undergraduate	5,425.00	5,810.00	7.1%	5,926.00	2.0%
Nonresident Undergraduate	190.00	202.00	6.3%	206.00	2.0%
Resident Graduate	1,061.00	1,137.00	7.2%	1,158.00	1.8%
Nonresident Graduate	409.00	438.00	7.1%	447.00	2.1%
<b>Total FTE Enrollment</b>	<b>7,085.00</b>	<b>7,587.00</b>	<b>7.1%</b>	<b>7,737.00</b>	<b>2.0%</b>

Unrestricted E&G FTE Employees					
	FY 2005-06	FY 2006-07	Change	FY 2007-08	Change
Faculty	274.50	286.50	12.00	286.50	0.00
AFSCME	199.00	199.00	0.00	199.00	0.00
Management	78.00	78.00	0.00	78.00	0.00
SCUPA	40.00	40.00	0.00	40.00	0.00
All Other	36.00	36.00	0.00	36.00	0.00
<b>Total Budgeted FTE Employees</b>	<b>627.50</b>	<b>639.50</b>	<b>12.00</b>	<b>639.50</b>	<b>0.00</b>

Board of Governors' Budget Request Summary  
Cheyney University

Educational & General Budget					
Revenue/Sources	FY 2005-06	FY 2006-07	Percent Change	FY 2007-08	Percent Change
Tuition	\$9,855,900	\$10,286,509	4.4%	\$10,559,602	2.7%
Fees	\$865,632	\$1,015,333	17.3%	\$1,044,673	2.9%
State Appropriation	\$12,020,682	\$12,018,365	0.0%	\$12,503,188	4.0%
All Other Revenue	\$977,419	\$1,006,742	3.0%	\$1,036,944	3.0%
Use of Carryforward Fund Balance	\$1,880,671	\$0	-100.0%	\$0	n/a
<b>Total Revenue/Sources</b>	<b>\$25,600,304</b>	<b>\$24,326,948</b>	<b>-5.0%</b>	<b>\$25,144,407</b>	<b>3.4%</b>
<b>Expenditures and Transfers</b>					
<u>Compensation Summary:</u>					
Salaries & Wages	\$13,868,501	\$13,194,959	-4.9%	\$13,530,888	2.5%
Benefits	\$4,877,727	\$4,778,031	-2.0%	\$5,047,748	5.6%
Subtotal, Compensation	\$18,746,228	\$17,972,990	-4.1%	\$18,578,636	3.4%
Services & Supplies	\$6,329,529	\$5,893,730	-6.9%	\$6,188,226	5.0%
Capital Expenditures	\$205,032	\$205,032	0.0%	\$213,233	4.0%
Transfers	\$319,515	\$255,196	-20.1%	\$394,553	54.6%
<b>Total Expenditures and Transfers</b>	<b>\$25,600,304</b>	<b>\$24,326,948</b>	<b>-5.0%</b>	<b>\$25,374,648</b>	<b>4.3%</b>
<b>Revenue/Sources less Expenditures/Transfers</b>					
	\$0	(\$0)		(\$230,241)	

Annualized FTE Enrollment					
	FY 2005-06	FY 2006-07	Percent Change	FY 2007-08	Percent Change
Resident Undergraduate	1,183.50	1,192.97	0.8%	1,202.51	0.8%
Nonresident Undergraduate	271.30	280.59	3.4%	290.20	3.4%
Resident Graduate	107.00	108.61	1.5%	110.23	1.5%
Nonresident Graduate	28.10	28.52	1.5%	28.95	1.5%
<b>Total FTE Enrollment</b>	<b>1,589.90</b>	<b>1,610.68</b>	<b>1.3%</b>	<b>1,631.89</b>	<b>1.3%</b>

Unrestricted E&G FTE Employees					
	FY 2005-06	FY 2006-07	Change	FY 2007-08	Change
Faculty	87.75	83.75	(4.00)	83.75	0.00
AFSCME	84.70	82.20	(2.50)	82.20	0.00
Management	35.85	34.85	(1.00)	34.85	0.00
SCUPA	11.50	10.50	(1.00)	10.50	0.00
All Other	28.50	26.40	(2.10)	26.40	0.00
<b>Total Budgeted FTE Employees</b>	<b>248.30</b>	<b>237.70</b>	<b>(10.60)</b>	<b>237.70</b>	<b>0.00</b>

Board of Governors' Budget Request Summary  
Clarion University

Educational & General Budget					
Revenue/Sources	FY 2005-06	FY 2006-07	Percent Change	FY 2007-08	Percent Change
Tuition	\$31,924,803	\$33,185,513	3.9%	\$34,036,887	2.6%
Fees	\$6,389,543	\$6,608,699	3.4%	\$6,764,085	2.4%
State Appropriation	\$26,806,104	\$27,554,476	2.8%	\$29,244,022	6.1%
All Other Revenue	\$2,015,500	\$2,025,794	0.5%	\$2,025,794	0.0%
Use of Carryforward Fund Balance	(\$1,675,229)	\$0	n/a	\$0	n/a
<b>Total Revenue/Sources</b>	<b>\$65,460,721</b>	<b>\$69,374,482</b>	<b>6.0%</b>	<b>\$72,070,788</b>	<b>3.9%</b>
<b>Expenditures and Transfers</b>					
<u>Compensation Summary:</u>					
Salaries & Wages	\$37,590,361	\$39,939,170	6.2%	\$40,975,202	2.6%
Benefits	\$13,895,342	\$14,620,247	5.2%	\$15,321,596	4.8%
Subtotal, Compensation	\$51,485,703	\$54,559,417	6.0%	\$56,296,798	3.2%
Services & Supplies	\$12,029,054	\$12,968,637	7.8%	\$13,167,499	1.5%
Capital Expenditures	\$434,256	\$510,000	17.4%	\$531,150	4.1%
Transfers	\$1,511,708	\$1,336,428	-11.6%	\$1,459,435	9.2%
<b>Total Expenditures and Transfers</b>	<b>\$65,460,721</b>	<b>\$69,374,482</b>	<b>6.0%</b>	<b>\$71,454,882</b>	<b>3.0%</b>
<b>Revenue/Sources less Expenditures/Transfers</b>					
	\$0	\$0		\$615,906	

Annualized FTE Enrollment					
	FY 2005-06	FY 2006-07	Percent Change	FY 2007-08	Percent Change
Resident Undergraduate	5,164.00	5,218.00	1.0%	5,288.00	1.3%
Nonresident Undergraduate	269.00	270.00	0.4%	277.00	2.6%
Resident Graduate	325.00	312.00	-4.0%	320.00	2.6%
Nonresident Graduate	98.00	125.00	27.6%	130.00	4.0%
<b>Total FTE Enrollment</b>	<b>5,856.00</b>	<b>5,925.00</b>	<b>1.2%</b>	<b>6,015.00</b>	<b>1.5%</b>

Unrestricted E&G FTE Employees					
	FY 2005-06	FY 2006-07	Change	FY 2007-08	Change
Faculty	277.38	274.18	(3.20)	274.18	0.00
AFSCME	216.69	212.61	(4.08)	212.61	0.00
Management	73.15	72.00	(1.15)	72.00	0.00
SCUPA	17.06	17.56	0.50	17.56	0.00
All Other	38.45	35.45	(3.00)	35.45	0.00
<b>Total Budgeted FTE Employees</b>	<b>622.73</b>	<b>611.80</b>	<b>(10.93)</b>	<b>611.80</b>	<b>0.00</b>



Board of Governors' Budget Request Summary  
East Stroudsburg

Educational & General Budget					
Revenue/Sources	FY 2005-06	FY 2006-07	Percent Change	FY 2007-08	Percent Change
Tuition	\$42,007,213	\$44,646,927	6.3%	\$45,899,500	2.8%
Fees	\$5,831,606	\$6,173,031	5.9%	\$6,397,095	3.6%
State Appropriation	\$23,656,229	\$24,759,728	4.7%	\$26,277,967	6.1%
All Other Revenue	\$3,375,064	\$3,402,568	0.8%	\$3,424,367	0.6%
Use of Carryforward Fund Balance	(\$344,847)	(\$275,062)	n/a	\$0	n/a
<b>Total Revenue/Sources</b>	<b>\$74,525,265</b>	<b>\$78,707,193</b>	<b>5.6%</b>	<b>\$81,998,930</b>	<b>4.2%</b>
<b>Expenditures and Transfers</b>					
<u>Compensation Summary:</u>					
Salaries & Wages	\$40,324,964	\$42,252,535	4.8%	\$42,984,502	1.7%
Benefits	\$14,404,883	\$15,647,651	8.6%	\$16,437,430	5.0%
Subtotal, Compensation	\$54,729,847	\$57,900,186	5.8%	\$59,421,932	2.6%
Services & Supplies	\$12,624,059	\$13,723,055	8.7%	\$14,304,128	4.2%
Capital Expenditures	\$378,284	\$387,581	2.5%	\$400,372	3.3%
Transfers	\$6,793,075	\$6,696,370	-1.4%	\$7,097,661	6.0%
<b>Total Expenditures and Transfers</b>	<b>\$74,525,265</b>	<b>\$78,707,193</b>	<b>5.6%</b>	<b>\$81,224,093</b>	<b>3.2%</b>
<b>Revenue/Sources less Expenditures/Transfers</b>					
	\$0	(\$0)		\$774,836	

Annualized FTE Enrollment					
	FY 2005-06	FY 2006-07	Percent Change	FY 2007-08	Percent Change
Resident Undergraduate	4,241.67	4,297.00	1.3%	4,342.00	1.0%
Nonresident Undergraduate	1,217.30	1,380.00	13.4%	1,448.00	4.9%
Resident Graduate	729.56	732.00	0.3%	736.00	0.5%
Nonresident Graduate	104.38	106.00	1.6%	106.00	0.0%
<b>Total FTE Enrollment</b>	<b>6,292.91</b>	<b>6,515.00</b>	<b>3.5%</b>	<b>6,632.00</b>	<b>1.8%</b>

Unrestricted E&G FTE Employees					
	FY 2005-06	FY 2006-07	Change	FY 2007-08	Change
Faculty	315.57	336.10	20.53	336.10	0.00
AFSCME	246.70	246.70	0.00	246.70	0.00
Management	94.95	94.95	0.00	94.95	0.00
SCUPA	26.50	26.50	0.00	26.50	0.00
All Other	47.60	47.60	0.00	47.60	0.00
<b>Total Budgeted FTE Employees</b>	<b>731.32</b>	<b>751.85</b>	<b>20.53</b>	<b>751.85</b>	<b>0.00</b>

Board of Governors' Budget Request Summary  
Edinboro University

Educational & General Budget					
Revenue/Sources	FY 2005-06	FY 2006-07	Percent Change	FY 2007-08	Percent Change
Tuition	\$39,080,656	\$39,169,467	0.2%	\$39,561,162	1.0%
Fees	\$6,488,460	\$6,483,825	-0.1%	\$6,563,531	1.2%
State Appropriation	\$28,428,333	\$28,758,707	1.2%	\$30,523,419	6.1%
All Other Revenue	\$3,013,552	\$3,245,096	7.7%	\$3,448,000	6.3%
Use of Carryforward Fund Balance	(\$2,950,071)	\$228,118	n/a	\$500,000	119.2%
<b>Total Revenue/Sources</b>	<b>\$74,060,930</b>	<b>\$77,885,213</b>	<b>5.2%</b>	<b>\$80,596,111</b>	<b>3.5%</b>
<b>Expenditures and Transfers</b>					
<u>Compensation Summary:</u>					
Salaries & Wages	\$41,730,686	\$43,916,174	5.2%	\$44,364,398	1.0%
Benefits	\$16,601,344	\$17,427,719	5.0%	\$18,000,545	3.3%
Subtotal, Compensation	\$58,332,030	\$61,343,893	5.2%	\$62,364,944	1.7%
Services & Supplies	\$13,119,090	\$14,223,744	8.4%	\$14,789,632	4.0%
Capital Expenditures	\$358,796	\$395,000	10.1%	\$450,000	13.9%
Transfers	\$2,251,014	\$1,922,576	-14.6%	\$2,286,618	18.9%
<b>Total Expenditures and Transfers</b>	<b>\$74,060,930</b>	<b>\$77,885,213</b>	<b>5.2%</b>	<b>\$79,891,193</b>	<b>2.6%</b>
<b>Revenue/Sources less Expenditures/Transfers</b>					
	\$0	(\$0)		\$704,918	

Annualized FTE Enrollment					
	FY 2005-06	FY 2006-07	Percent Change	FY 2007-08	Percent Change
Resident Undergraduate	5,167.00	5,057.00	-2.1%	5,057.00	0.0%
Nonresident Undergraduate	743.77	743.77	0.0%	743.77	0.0%
Resident Graduate	607.04	607.04	0.0%	607.04	0.0%
Nonresident Graduate	79.13	79.13	0.0%	79.13	0.0%
<b>Total FTE Enrollment</b>	<b>6,596.94</b>	<b>6,486.94</b>	<b>-1.7%</b>	<b>6,486.94</b>	<b>0.0%</b>

Unrestricted E&G FTE Employees					
	FY 2005-06	FY 2006-07	Change	FY 2007-08	Change
Faculty	386.60	388.00	1.40	386.00	(2.00)
AFSCME	213.50	205.50	(8.00)	200.50	(5.00)
Management	83.00	81.00	(2.00)	78.00	(3.00)
SCUPA	20.00	18.00	(2.00)	17.00	(1.00)
All Other	35.20	33.20	(2.00)	33.20	0.00
<b>Total Budgeted FTE Employees</b>	<b>738.30</b>	<b>725.70</b>	<b>(12.60)</b>	<b>714.70</b>	<b>(11.00)</b>

Board of Governors' Budget Request Summary  
Indiana University

Educational & General Budget					
Revenue/Sources	FY 2005-06	FY 2006-07	Percent Change	FY 2007-08	Percent Change
Tuition	\$75,149,330	\$77,270,608	2.8%	\$78,719,662	1.9%
Fees	\$15,715,316	\$15,885,584	1.1%	\$16,065,329	1.1%
State Appropriation	\$60,049,085	\$62,163,777	3.5%	\$65,975,916	6.1%
All Other Revenue	\$17,058,188	\$18,613,112	9.1%	\$18,912,572	1.6%
Use of Carryforward Fund Balance	(\$4,930,408)	\$2,212,736	n/a	\$1,500,000	-32.2%
<b>Total Revenue/Sources</b>	<b>\$163,041,511</b>	<b>\$176,145,817</b>	<b>8.0%</b>	<b>\$181,173,479</b>	<b>2.9%</b>
<b>Expenditures and Transfers</b>					
<u>Compensation Summary:</u>					
Salaries & Wages	\$86,120,816	\$91,172,322	5.9%	\$92,790,374	1.8%
Benefits	\$33,839,114	\$36,035,717	6.5%	\$37,973,594	5.4%
Subtotal, Compensation	\$119,959,930	\$127,208,039	6.0%	\$130,763,967	2.8%
Services & Supplies	\$31,902,010	\$37,320,076	17.0%	\$38,217,302	2.4%
Capital Expenditures	\$3,171,848	\$5,726,514	80.5%	\$5,995,099	4.7%
Transfers	\$8,007,723	\$5,891,188	-26.4%	\$6,839,086	16.1%
<b>Total Expenditures and Transfers</b>	<b>\$163,041,511</b>	<b>\$176,145,817</b>	<b>8.0%</b>	<b>\$181,815,455</b>	<b>3.2%</b>
<b>Revenue/Sources less Expenditures/Transfers</b>					
	\$0	\$0		(\$641,976)	

Annualized FTE Enrollment					
	FY 2005-06	FY 2006-07	Percent Change	FY 2007-08	Percent Change
Resident Undergraduate	10,939.88	10,939.88	0.0%	10,989.88	0.5%
Nonresident Undergraduate	639.78	639.78	0.0%	639.78	0.0%
Resident Graduate	1,152.31	1,171.31	1.6%	1,221.31	4.3%
Nonresident Graduate	425.13	425.13	0.0%	425.13	0.0%
<b>Total FTE Enrollment</b>	<b>13,157.10</b>	<b>13,176.10</b>	<b>0.1%</b>	<b>13,276.10</b>	<b>0.8%</b>

Unrestricted E&G FTE Employees					
	FY 2005-06	FY 2006-07	Change	FY 2007-08	Change
Faculty	676.00	676.00	0.00	681.00	5.00
AFSCME	431.00	431.00	0.00	431.00	0.00
Management	154.00	154.00	0.00	154.00	0.00
SCUPA	33.00	33.00	0.00	33.00	0.00
All Other	49.00	49.00	0.00	49.00	0.00
<b>Total Budgeted FTE Employees</b>	<b>1,343.00</b>	<b>1,343.00</b>	<b>0.00</b>	<b>1,348.00</b>	<b>5.00</b>

Board of Governors' Budget Request Summary  
Kutztown University

Educational & General Budget					
Revenue/Sources	FY 2005-06	FY 2006-07	Percent Change	FY 2007-08	Percent Change
Tuition	\$52,086,365	\$54,067,983	3.8%	\$54,608,663	1.0%
Fees	\$8,038,228	\$8,209,939	2.1%	\$8,310,108	1.2%
State Appropriation	\$35,606,530	\$38,733,552	8.8%	\$41,108,473	6.1%
All Other Revenue	\$5,094,377	\$5,265,010	3.3%	\$5,362,938	1.9%
Use of Carryforward Fund Balance	(\$2,279,425)	\$149,879	n/a	\$0	-100.0%
<b>Total Revenue/Sources</b>	<b>\$98,546,075</b>	<b>\$106,426,364</b>	<b>8.0%</b>	<b>\$109,390,182</b>	<b>2.8%</b>
<b>Expenditures and Transfers</b>					
<u>Compensation Summary:</u>					
Salaries & Wages	\$49,652,646	\$53,607,482	8.0%	\$54,476,180	1.6%
Benefits	\$18,761,069	\$20,105,900	7.2%	\$21,146,160	5.2%
Subtotal, Compensation	\$68,413,715	\$73,713,381	7.7%	\$75,622,339	2.6%
Services & Supplies	\$20,207,561	\$22,374,084	10.7%	\$23,417,734	4.7%
Capital Expenditures	\$930,267	\$1,022,015	9.9%	\$1,082,896	6.0%
Transfers	\$8,994,532	\$9,316,883	3.6%	\$9,821,950	5.4%
<b>Total Expenditures and Transfers</b>	<b>\$98,546,075</b>	<b>\$106,426,364</b>	<b>8.0%</b>	<b>\$109,944,920</b>	<b>3.3%</b>
<b>Revenue/Sources less Expenditures/Transfers</b>					
	\$0	\$0		(\$554,738)	

Annualized FTE Enrollment					
	FY 2005-06	FY 2006-07	Percent Change	FY 2007-08	Percent Change
Resident Undergraduate	7,432.00	7,580.64	2.0%	7,580.64	0.0%
Nonresident Undergraduate	802.63	818.68	2.0%	818.68	0.0%
Resident Graduate	520.92	531.34	2.0%	531.34	0.0%
Nonresident Graduate	24.92	25.42	2.0%	25.42	0.0%
<b>Total FTE Enrollment</b>	<b>8,780.47</b>	<b>8,956.08</b>	<b>2.0%</b>	<b>8,956.08</b>	<b>0.0%</b>

Unrestricted E&G FTE Employees					
	FY 2005-06	FY 2006-07	Change	FY 2007-08	Change
Faculty	485.50	471.69	(13.81)	471.69	0.00
AFSCME	287.50	279.00	(8.50)	279.00	0.00
Management	101.00	118.00	17.00	118.00	0.00
SCUPA	31.06	32.00	0.94	32.00	0.00
All Other	42.19	45.66	3.47	45.66	0.00
<b>Total Budgeted FTE Employees</b>	<b>947.25</b>	<b>946.35</b>	<b>(0.90)</b>	<b>946.35</b>	<b>0.00</b>

Board of Governors' Budget Request Summary  
Lock Haven University

<b>Educational &amp; General Budget</b>					
<b>Revenue/Sources</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>Percent Change</b>	<b>FY 2007-08</b>	<b>Percent Change</b>
Tuition	\$29,536,165	\$29,923,359	1.3%	\$30,665,884	2.5%
Fees	\$3,968,452	\$4,180,972	5.4%	\$4,276,805	2.3%
State Appropriation	\$21,045,019	\$22,066,945	4.9%	\$23,420,183	6.1%
All Other Revenue	\$1,159,220	\$1,170,505	1.0%	\$1,148,505	-1.9%
Use of Carryforward Fund Balance	\$0	\$500,000	n/a	\$0	-100.0%
<b>Total Revenue/Sources</b>	<b>\$55,708,856</b>	<b>\$57,841,781</b>	<b>3.8%</b>	<b>\$59,511,376</b>	<b>2.9%</b>
<b>Expenditures and Transfers</b>					
<u>Compensation Summary:</u>					
Salaries & Wages	\$30,104,322	\$31,672,957	5.2%	\$31,933,715	0.8%
Benefits	\$11,137,624	\$11,786,417	5.8%	\$12,485,111	5.9%
Subtotal, Compensation	\$41,241,946	\$43,459,374	5.4%	\$44,418,826	2.2%
Services & Supplies	\$11,575,738	\$12,808,765	10.7%	\$13,024,174	1.7%
Capital Expenditures	\$355,637	\$374,720	5.4%	\$396,350	5.8%
Transfers	\$2,535,535	\$1,198,922	-52.7%	\$1,351,819	12.8%
<b>Total Expenditures and Transfers</b>	<b>\$55,708,856</b>	<b>\$57,841,781</b>	<b>3.8%</b>	<b>\$59,191,169</b>	<b>2.3%</b>
<b>Revenue/Sources less Expenditures/Transfers</b>					
	\$0	\$0		\$320,207	

<b>Annualized FTE Enrollment</b>					
	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>Percent Change</b>	<b>FY 2007-08</b>	<b>Percent Change</b>
Resident Undergraduate	4,233.60	4,137.93	-2.3%	4,197.23	1.4%
Nonresident Undergraduate	527.78	537.07	1.8%	544.77	1.4%
Resident Graduate	236.15	256.91	8.8%	251.21	-2.2%
Nonresident Graduate	78.02	58.08	-25.6%	56.79	-2.2%
<b>Total FTE Enrollment</b>	<b>5,075.55</b>	<b>4,989.99</b>	<b>-1.7%</b>	<b>5,050.00</b>	<b>1.2%</b>

<b>Unrestricted E&amp;G FTE Employees</b>					
	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>Change</b>	<b>FY 2007-08</b>	<b>Change</b>
Faculty	287.48	287.63	0.15	287.48	(0.15)
AFSCME	141.39	141.39	0.00	141.39	0.00
Management	50.06	49.06	(1.00)	50.06	1.00
SCUPA	18.58	18.58	0.00	18.58	0.00
All Other	32.67	32.67	0.00	32.67	0.00
<b>Total Budgeted FTE Employees</b>	<b>530.18</b>	<b>529.33</b>	<b>(0.85)</b>	<b>530.18</b>	<b>0.85</b>

Board of Governors' Budget Request Summary  
Mansfield University

Educational & General Budget					
Revenue/Sources	FY 2005-06	FY 2006-07	Percent Change	FY 2007-08	Percent Change
Tuition	\$19,150,992	\$19,459,344	1.6%	\$19,391,909	-0.3%
Fees	\$2,927,992	\$2,985,000	1.9%	\$3,006,310	0.7%
State Appropriation	\$16,727,707	\$16,902,224	1.0%	\$17,740,203	5.0%
All Other Revenue	\$1,641,790	\$1,651,000	0.6%	\$1,680,000	1.8%
Use of Carryforward Fund Balance	(\$159,318)	\$332,058	n/a	\$0	-100.0%
<b>Total Revenue/Sources</b>	<b>\$40,289,163</b>	<b>\$41,329,626</b>	<b>2.6%</b>	<b>\$41,818,422</b>	<b>1.2%</b>
<b>Expenditures and Transfers</b>					
<u>Compensation Summary:</u>					
Salaries & Wages	\$22,271,014	\$24,120,792	8.3%	\$24,578,523	1.9%
Benefits	\$8,100,325	\$9,084,082	12.1%	\$9,551,626	5.1%
Subtotal, Compensation	\$30,371,339	\$33,204,874	9.3%	\$34,130,149	2.8%
Services & Supplies	\$7,265,343	\$7,344,500	1.1%	\$7,680,000	4.6%
Capital Expenditures	\$260,580	\$220,500	-15.4%	\$186,328	-15.5%
Transfers	\$2,391,901	\$559,752	-76.6%	\$730,695	30.5%
<b>Total Expenditures and Transfers</b>	<b>\$40,289,163</b>	<b>\$41,329,626</b>	<b>2.6%</b>	<b>\$42,727,172</b>	<b>3.4%</b>
<b>Revenue/Sources less Expenditures/Transfers</b>					
	\$0	\$0		(\$908,750)	

Annualized FTE Enrollment					
	FY 2005-06	FY 2006-07	Percent Change	FY 2007-08	Percent Change
Resident Undergraduate	2,274.40	2,284.70	0.5%	2,299.30	0.6%
Nonresident Undergraduate	576.10	567.40	-1.5%	549.70	-3.1%
Resident Graduate	180.80	191.50	5.9%	204.60	6.8%
Nonresident Graduate	110.70	123.00	11.1%	135.10	9.8%
<b>Total FTE Enrollment</b>	<b>3,142.00</b>	<b>3,166.60</b>	<b>0.8%</b>	<b>3,188.70</b>	<b>0.7%</b>

Unrestricted E&G FTE Employees					
	FY 2005-06	FY 2006-07	Change	FY 2007-08	Change
Faculty	180.90	180.90	0.00	180.90	0.00
AFSCME	118.86	119.36	0.50	119.36	0.00
Management	52.80	52.55	(0.25)	52.55	0.00
SCUPA	9.02	9.46	0.44	8.46	(1.00)
All Other	25.53	25.53	0.00	25.53	0.00
<b>Total Budgeted FTE Employees</b>	<b>387.11</b>	<b>387.80</b>	<b>0.69</b>	<b>386.80</b>	<b>(1.00)</b>

Board of Governors' Budget Request Summary  
 Millersville University

Educational & General Budget					
Revenue/Sources	FY 2005-06	FY 2006-07	Percent Change	FY 2007-08	Percent Change
Tuition	\$44,529,122	\$45,234,684	1.6%	\$45,802,803	1.3%
Fees	\$7,017,049	\$7,123,773	1.5%	\$7,300,080	2.5%
State Appropriation	\$37,465,521	\$38,433,295	2.6%	\$40,787,822	6.1%
All Other Revenue	\$4,327,159	\$3,856,134	-10.9%	\$3,909,428	1.4%
Use of Carryforward Fund Balance	(\$3,113,970)	\$297,816	n/a	\$915,691	207.5%
<b>Total Revenue/Sources</b>	<b>\$90,224,881</b>	<b>\$94,945,702</b>	<b>5.2%</b>	<b>\$98,715,824</b>	<b>4.0%</b>
<b>Expenditures and Transfers</b>					
<u>Compensation Summary:</u>					
Salaries & Wages	\$48,877,928	\$53,597,956	9.7%	\$54,650,892	2.0%
Benefits	\$16,897,507	\$18,539,291	9.7%	\$19,669,236	6.1%
Subtotal, Compensation	\$65,775,435	\$72,137,247	9.7%	\$74,320,128	3.0%
Services & Supplies	\$15,580,665	\$16,939,567	8.7%	\$17,854,905	5.4%
Capital Expenditures	\$1,171,765	\$1,208,581	3.1%	\$1,221,057	1.0%
Transfers	\$7,697,016	\$4,660,307	-39.5%	\$5,430,497	16.5%
<b>Total Expenditures and Transfers</b>	<b>\$90,224,881</b>	<b>\$94,945,702</b>	<b>5.2%</b>	<b>\$98,826,587</b>	<b>4.1%</b>
<b>Revenue/Sources less Expenditures/Transfers</b>					
	\$0	(\$0)		(\$110,763)	

Annualized FTE Enrollment					
	FY 2005-06	FY 2006-07	Percent Change	FY 2007-08	Percent Change
Resident Undergraduate	6,508.37	6,517.57	0.1%	6,524.29	0.1%
Nonresident Undergraduate	278.08	278.65	0.2%	278.93	0.1%
Resident Graduate	961.92	959.20	-0.3%	960.18	0.1%
Nonresident Graduate	20.17	20.58	2.0%	20.60	0.1%
<b>Total FTE Enrollment</b>	<b>7,768.54</b>	<b>7,776.00</b>	<b>0.1%</b>	<b>7,784.00</b>	<b>0.1%</b>

Unrestricted E&G FTE Employees					
	FY 2005-06	FY 2006-07	Change	FY 2007-08	Change
Faculty	390.18	392.18	2.00	392.18	0.00
AFSCME	320.29	319.39	(0.90)	319.39	0.00
Management	116.07	118.00	1.93	118.00	0.00
SCUPA	31.64	29.64	(2.00)	29.64	0.00
All Other	48.54	48.54	0.00	48.54	0.00
<b>Total Budgeted FTE Employees</b>	<b>906.72</b>	<b>907.75</b>	<b>1.03</b>	<b>907.75</b>	<b>0.00</b>

Board of Governors' Budget Request Summary  
Shippensburg University

Educational & General Budget					
Revenue/Sources	FY 2005-06	FY 2006-07	Percent Change	FY 2007-08	Percent Change
Tuition	\$39,391,127	\$40,489,488	2.8%	\$40,934,268	1.1%
Fees	\$5,940,213	\$6,112,722	2.9%	\$6,219,423	1.7%
State Appropriation	\$31,862,466	\$32,170,086	1.0%	\$34,143,299	6.1%
All Other Revenue	\$4,286,613	\$4,243,599	-1.0%	\$4,162,316	-1.9%
Use of Carryforward Fund Balance	(\$370,134)	\$370,134	n/a	\$0	-100.0%
<b>Total Revenue/Sources</b>	<b>\$81,110,285</b>	<b>\$83,386,029</b>	<b>2.8%</b>	<b>\$85,459,306</b>	<b>2.5%</b>
<b>Expenditures and Transfers</b>					
<u>Compensation Summary:</u>					
Salaries & Wages	\$43,018,035	\$46,604,321	8.3%	\$47,259,765	1.4%
Benefits	\$16,643,126	\$18,184,167	9.3%	\$19,007,365	4.5%
Subtotal, Compensation	\$59,661,161	\$64,788,487	8.6%	\$66,267,129	2.3%
Services & Supplies	\$14,600,390	\$14,698,281	0.7%	\$15,056,139	2.4%
Capital Expenditures	\$1,525,774	\$1,092,354	-28.4%	\$1,094,721	0.2%
Transfers	\$5,322,961	\$2,806,907	-47.3%	\$4,079,868	45.4%
<b>Total Expenditures and Transfers</b>	<b>\$81,110,285</b>	<b>\$83,386,029</b>	<b>2.8%</b>	<b>\$86,497,858</b>	<b>3.7%</b>
<b>Revenue/Sources less Expenditures/Transfers</b>					
	(\$0)	\$0		(\$1,038,552)	

Annualized FTE Enrollment					
	FY 2005-06	FY 2006-07	Percent Change	FY 2007-08	Percent Change
Resident Undergraduate	5,923.50	5,892.33	-0.5%	5,892.33	0.0%
Nonresident Undergraduate	366.87	365.75	-0.3%	365.75	0.0%
Resident Graduate	656.38	700.00	6.6%	700.00	0.0%
Nonresident Graduate	40.59	43.14	6.3%	43.14	0.0%
<b>Total FTE Enrollment</b>	<b>6,987.34</b>	<b>7,001.22</b>	<b>0.2%</b>	<b>7,001.22</b>	<b>0.0%</b>

Unrestricted E&G FTE Employees					
	FY 2005-06	FY 2006-07	Change	FY 2007-08	Change
Faculty	354.72	354.72	0.00	354.72	0.00
AFSCME	234.60	234.60	0.00	234.60	0.00
Management	67.00	69.00	2.00	69.00	0.00
SCUPA	26.71	26.71	0.00	26.71	0.00
All Other	40.34	40.19	(0.15)	40.19	0.00
<b>Total Budgeted FTE Employees</b>	<b>723.37</b>	<b>725.22</b>	<b>1.85</b>	<b>725.22</b>	<b>0.00</b>



Board of Governors' Budget Request Summary  
Slippery Rock University

<b>Educational &amp; General Budget</b>					
<b>Revenue/Sources</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>Percent Change</b>	<b>FY 2007-08</b>	<b>Percent Change</b>
Tuition	\$43,041,352	\$44,903,044	4.3%	\$45,861,834	2.1%
Fees	\$7,712,513	\$7,947,974	3.1%	\$8,079,893	1.7%
State Appropriation	\$34,705,496	\$37,614,631	8.4%	\$39,903,630	6.1%
All Other Revenue	\$5,113,136	\$4,315,423	-15.6%	\$4,349,123	0.8%
Use of Carryforward Fund Balance	(\$2,437,729)	(\$804,860)	n/a	\$0	n/a
<b>Total Revenue/Sources</b>	<b>\$88,134,768</b>	<b>\$93,976,212</b>	<b>6.6%</b>	<b>\$98,194,480</b>	<b>4.5%</b>
<b>Expenditures and Transfers</b>					
<u>Compensation Summary:</u>					
Salaries & Wages	\$46,198,554	\$50,748,559	9.8%	\$51,609,730	1.7%
Benefits	\$17,846,757	\$20,172,781	13.0%	\$21,238,785	5.3%
Subtotal, Compensation	\$64,045,311	\$70,921,339	10.7%	\$72,848,515	2.7%
Services & Supplies	\$16,091,140	\$17,542,472	9.0%	\$18,329,311	4.5%
Capital Expenditures	\$909,344	\$951,823	4.7%	\$1,011,169	6.2%
Transfers	\$7,088,973	\$4,560,577	-35.7%	\$5,015,965	10.0%
<b>Total Expenditures and Transfers</b>	<b>\$88,134,768</b>	<b>\$93,976,212</b>	<b>6.6%</b>	<b>\$97,204,959</b>	<b>3.4%</b>
<b>Revenue/Sources less Expenditures/Transfers</b>					
	\$0	\$0		\$989,520	

<b>Annualized FTE Enrollment</b>					
	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>Percent Change</b>	<b>FY 2007-08</b>	<b>Percent Change</b>
Resident Undergraduate	6,832.22	6,929.92	1.4%	6,981.83	0.7%
Nonresident Undergraduate	507.18	514.28	1.4%	533.08	3.7%
Resident Graduate	485.14	491.98	1.4%	495.17	0.6%
Nonresident Graduate	95.08	96.62	1.6%	99.32	2.8%
<b>Total FTE Enrollment</b>	<b>7,919.62</b>	<b>8,032.80</b>	<b>1.4%</b>	<b>8,109.40</b>	<b>1.0%</b>

<b>Unrestricted E&amp;G FTE Employees</b>					
	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>Change</b>	<b>FY 2007-08</b>	<b>Change</b>
Faculty	382.86	385.74	2.88	385.74	0.00
AFSCME	276.90	288.57	11.67	288.57	0.00
Management	96.17	94.42	(1.75)	94.42	0.00
SCUPA	30.00	29.00	(1.00)	29.00	0.00
All Other	42.00	43.00	1.00	43.00	0.00
<b>Total Budgeted FTE Employees</b>	<b>827.93</b>	<b>840.73</b>	<b>12.80</b>	<b>840.73</b>	<b>0.00</b>

Board of Governors' Budget Request Summary  
West Chester University

Educational & General Budget					
Revenue/Sources	FY 2005-06	FY 2006-07	Percent Change	FY 2007-08	Percent Change
Tuition	\$74,184,317	\$76,154,451	2.7%	\$77,026,568	1.1%
Fees	\$11,855,393	\$12,049,758	1.6%	\$12,223,099	1.4%
State Appropriation	\$50,706,242	\$53,084,665	4.7%	\$56,338,786	6.1%
All Other Revenue	\$5,587,781	\$5,738,125	2.7%	\$5,682,750	-1.0%
Use of Carryforward Fund Balance	\$0	\$0	n/a	\$0	n/a
<b>Total Revenue/Sources</b>	<b>\$142,333,733</b>	<b>\$147,027,000</b>	<b>3.3%</b>	<b>\$151,271,203</b>	<b>2.9%</b>
<b>Expenditures and Transfers</b>					
<u>Compensation Summary:</u>					
Salaries & Wages	\$73,466,080	\$79,336,423	8.0%	\$80,561,352	1.5%
Benefits	\$26,409,402	\$28,212,343	6.8%	\$29,493,329	4.5%
Subtotal, Compensation	\$99,875,483	\$107,548,766	7.7%	\$110,054,681	2.3%
Services & Supplies	\$20,767,519	\$22,684,624	9.2%	\$24,865,005	9.6%
Capital Expenditures	\$2,695,007	\$2,716,830	0.8%	\$2,746,853	1.1%
Transfers	\$18,995,724	\$14,076,779	-25.9%	\$13,825,165	-1.8%
<b>Total Expenditures and Transfers</b>	<b>\$142,333,733</b>	<b>\$147,026,999</b>	<b>3.3%</b>	<b>\$151,491,703</b>	<b>3.0%</b>
<b>Revenue/Sources less Expenditures/Transfers</b>					
	\$0	\$0		(\$220,501)	

Annualized FTE Enrollment					
	FY 2005-06	FY 2006-07	Percent Change	FY 2007-08	Percent Change
Resident Undergraduate	9,170.63	9,170.63	0.0%	9,170.63	0.0%
Nonresident Undergraduate	1,255.80	1,255.80	0.0%	1,255.80	0.0%
Resident Graduate	1,244.08	1,244.08	0.0%	1,244.08	0.0%
Nonresident Graduate	155.21	155.21	0.0%	155.21	0.0%
<b>Total FTE Enrollment</b>	<b>11,825.72</b>	<b>11,825.72</b>	<b>0.0%</b>	<b>11,825.72</b>	<b>0.0%</b>

Unrestricted E&G FTE Employees					
	FY 2005-06	FY 2006-07	Change	FY 2007-08	Change
Faculty	642.36	642.36	0.00	642.36	0.00
AFSCME	346.50	350.50	4.00	350.50	0.00
Management	137.43	138.43	1.00	138.43	0.00
SCUPA	38.00	40.00	2.00	40.00	0.00
All Other	46.43	46.43	0.00	46.43	0.00
<b>Total Budgeted FTE Employees</b>	<b>1,210.72</b>	<b>1,217.72</b>	<b>7.00</b>	<b>1,217.72</b>	<b>0.00</b>

# Board of Governors' Budget Request Summary

## Office of the Chancellor

Educational & General Budget					
Revenue/Sources	FY 2005-06	FY 2006-07	Percent Change	FY 2007-08	Percent Change
Tuition	\$0	\$0	n/a	\$0	n/a
Fees	\$0	\$0	n/a	\$0	n/a
State Appropriation	\$2,227,438	\$2,338,110	5.0%	\$2,478,397	6.0%
All Other Revenue	\$4,458,764	\$4,138,477	-7.2%	\$4,179,862	1.0%
Use of Carryforward Fund Balance	\$0		n/a		n/a
<b>Total Revenue/Sources</b>	<b>\$6,686,202</b>	<b>\$6,476,587</b>	<b>-3.1%</b>	<b>\$6,658,259</b>	<b>2.8%</b>
<b>Expenditures and Transfers</b>					
<u>Compensation Summary:</u>					
Salaries & Wages	\$3,173,320	\$3,417,180	7.7%	\$3,775,468	10.5%
Benefits	\$880,503	\$1,111,261	26.2%	\$1,254,990	12.9%
Subtotal, Compensation	\$4,053,823	\$4,528,441	11.7%	\$5,030,458	11.1%
Services & Supplies	\$2,111,967	\$1,908,934	-9.6%	\$1,985,291	4.0%
Capital Expenditures	\$250,948	\$18,000	-92.8%	\$18,720	4.0%
Transfers			n/a		n/a
<b>Total Expenditures and Transfers</b>	<b>\$6,416,738</b>	<b>\$6,455,375</b>	<b>0.6%</b>	<b>\$7,034,469</b>	<b>9.0%</b>
<b>Revenue/Sources less Expenditures/Transfers</b>					
	\$269,464	\$21,212		(\$376,211)	

Annualized FTE Enrollment					
	FY 2005-06	FY 2006-07	Percent Change	FY 2007-08	Percent Change
Resident Undergraduate	0.00	0.00	n/a	0.00	n/a
Nonresident Undergraduate	0.00	0.00	n/a	0.00	n/a
Resident Graduate	0.00	0.00	n/a	0.00	n/a
Nonresident Graduate	0.00	0.00	n/a	0.00	n/a
<b>Total FTE Enrollment</b>	<b>0.00</b>	<b>0.00</b>	<b>n/a</b>	<b>0.00</b>	<b>n/a</b>

Unrestricted FTE Employees					
	FY 2005-06	FY 2006-07	Change	FY 2007-08	Change
Faculty	0.00	0.00	0.00	0.00	0.00
AFSCME	1.86	2.44	0.58	2.94	0.50
Management	33.80	36.99	3.19	38.90	1.91
SCUPA	0.00	0.00	0.00	0.00	0.00
All Other	0.00	0.00	0.00	0.00	0.00
<b>Total Budgeted FTE Employees</b>	<b>35.66</b>	<b>39.43</b>	<b>3.77</b>	<b>41.84</b>	<b>2.41</b>

# Board of Governors' Budget Request Summary

## Other Programs Administered by the Office of the Chancellor in Fiscal Year 2006-07

<b>Programs Funded from the Educational &amp; General Appropriation</b>	<b>Appropriation</b>
System Reserve*	\$705,000
Dixon University Center Academic Programs (6.44 FTE Employees)	\$1,400,000
Faculty Professional Development	\$150,000
SCUPA Professional Development	\$75,000

<b>Programs Funded from Other State Appropriations</b>	<b>Appropriation</b>
Diversity and Equal Opportunity (1.45 FTE Employees)	\$1,619,000
Information Systems Integration (SyTEC 84.87 FTE Employees)	\$7,346,000
Educator Excellence	\$1,350,000

### **Pennsylvania Academy for the Profession of Teaching and Learning (9.35 FTE Employees)**

*The Pennsylvania Academy for the Profession of Teaching and Learning oversees the State System's programs and efforts that involve K-12 education in the Commonwealth and is funded by federal and state grants. The two largest federal grants administered by the Academy are:*

*GEAR UP - \$12.6 million received by the Academy over five years, of which \$6.25 million is committed to student scholarships.*

*Teacher Quality Enhancement - \$6.6 million received by the Academy over three years, in collaboration with the Pennsylvania Department of Education.*

### **Consolidated University Operations (41.29 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 Payroll Services, Office of System Human Resources, Labor Relations, Construction Support Office, Internal Review Group, Eastern Regional Legal Office, Treasury Accounting, Keystone Library Network, Articulation, Distance Education (formerly Keystone University Network), Blackboard, and The Harrisburg Internship Semester. The costs associated with these services are reflected within the University budgets. In addition, the Office of the Chancellor manages 17.58 FTE employees for site management and administrative services that support all of the above programs.*

*\*System Reserve fund balance is required to be replenished to \$1.5 million annually.*

**Overview of Proposed Educational and General Appropriation**  
*October 11-12, 2006*

**Educational and General (E&G) Appropriation .....\$495,679,000**

PASSHE's 2007-08 operating budget provides funding for increases in basic operating costs while building upon continuing efforts to operate more efficiently. PASSHE's budget is developed based upon University budgets submitted in adherence to specific guidelines. The following basic adjustments are reflected in the 2007-08 E&G budget.

**Enrollment Growth**—In keeping with the demographic projections of the Commonwealth, it is estimated that PASSHE's enrollment will increase 0.6%. Universities anticipating enrollment increases have limited the costs associated with serving these additional students within their 2007-08 budget estimates. Increased tuition and fee revenue associated with this enrollment increase is anticipated at \$6.2 million.

**Employee Salaries**—PASSHE is currently in negotiations for new collective bargaining agreements with several of its unions, and the Commonwealth is in negotiations with all coalition units. Salary and wage increases provide the remaining funding for midyear salary increases in 2006-07, the final year of the current contracts. No other contractual salary increases have been incorporated into PASSHE's 2007-08 budget estimates. On average, union contracts require an increase in salaries of 1.7% to fulfill the 2006-07 obligations. Minimal changes in complement to support enrollment increases and adjustments to wages also contribute to a total estimated increase in employee salaries and wages of \$13.3 million, or 2.0%.

**Employee Benefits**—Although PASSHE health care costs continue to rise, the rate of increase has slowed somewhat. PASSHE projects the employer share of health care costs to increase an average of 9.6% for next year, with changes in health care rates ranging from no change for the Commonwealth's PEBTF employee health care to a 15.0% increase in PASSHE's retiree health care. The employer contribution rate for the State Employees' Retirement System is projected to remain constant at 3.2% of salaries. Overall, employee benefits expenditures are expected to increase \$13.1 million, or 5.2%.

**Utilities**—The rate of increase in natural gas, coal and oil prices has slowed in recent months. Therefore, PASSHE's 2007-08 utility costs reflect an increase of \$4.0 million, or 8.1%, to address anticipated rate increases and additions to University square footage.

**Deferred Maintenance**—Using data from the Association for Higher Education Facilities Officers as a benchmark, PASSHE encourages the Universities to spend 3.25% of the plant replacement value on life cycle and routine maintenance of its facilities, which currently would approximate \$132 million. In 2004-05, PASSHE spent approximately \$92 million on life cycle and routine maintenance of its

educational facilities. In order to increase University investment in the life cycle maintenance of its physical plant, an additional \$5.0 million is incorporated into PASSHE's budget.

These adjustments result in an overall 2007-08 E&G operating budget of \$1.3 billion, an increase of \$40.4 million, or 3.2%. To fund this budget increase, it is recommended that the Board consider an E&G appropriation request of \$495.7 million—an increase of \$28.1 million, or 6.0%. No action is required concerning tuition rate increases at this time; however, a tuition increase of approximately 1.0% would be necessary to balance the budget. Therefore, in the spring, the Board will need to consider addressing the remaining budgetary requirements through a tuition increase or other means.

**Overview of Special Purpose Appropriations**  
*October 11-12, 2006*

**Program Initiatives Line Item..... \$21,414,000**

**Performance Funding.....\$9,914,000**

The Board of Governors has recognized performance at PASSHE Universities for the last seven years with increasing amounts of dollars. In 2006-07, the program was funded with \$28.1 million from the E&G appropriation and \$9.4 million from the Program Initiatives line item, for a total of \$37.4 million, equivalent to 8% of the E&G appropriation. PASSHE is committed to continuing performance funding at this level in 2007-08, partially through the use of \$9.9 million in this line item. If full funding of this portion of the Program Initiatives line item is not provided, PASSHE will increase the funding from the E&G appropriation to continue a performance funding pool equivalent to 8% of the E&G appropriation. Performance funding provided through the Program Initiatives line item will be used to support specialized accreditation of professional programs and increase library holdings.

**Shared Administrative System.....\$5,000,000**

PASSHE is in the midst of implementing an integrated System-wide decision support system that will maximize student services, instructional support and administrative productivity. This system will help Universities maximize efficiencies in administrative processes, e.g., procurement, data storage and retrieval, room scheduling and student registration. Full funding for this project is necessary to support additional functionality, upgrades to hardware and operating systems and additional capacity for disaster recovery.

**Economic Development .....\$5,000,000**

PASSHE Universities are key partners for state and regional economic development. Their contribution to economic development is increasing human capital for tangible productivity and income benefits, and creating knowledge with commercialization potential. The Governor's Economic Stimulus Package has established programs to support collaboration among businesses and institutions of higher education, such as Keystone Innovation Zones (KIZ). Five PASSHE Universities are already partnering with KIZ. Additionally, Small Business Development Centers (SBDCs) are located at four PASSHE Universities, and business incubators have been established at five Universities. The five economic development initiatives described below will enhance PASSHE's partnerships with the state and local communities to increase economic development throughout the Commonwealth.

- (1) *Entrepreneurial Leadership Centers Initiative (\$1.4 million)*—Funding is sought to develop Entrepreneurial Leadership Centers among PASSHE

Universities. Centers will provide entrepreneurial resources such as program development, mentors and networking opportunities, reference materials, best practices, entrepreneurial seminars/workshops, entrepreneurial boot camp programs, and collaborative opportunities that support and encourage entrepreneurial activities by students and other members of the PASSHE University communities within the regions they serve.

- (2) *Internships (\$0.7 million)*—Presently, internship efforts at each University are inconsistent and relatively uncoordinated; the responsibility often falls on individual faculty and students. Funding is needed for each University to develop a more systematic and coordinated approach to providing internship opportunities that will accommodate the demands of regional labor markets.
- (3) *Planning and Feasibility for University/Business Infrastructure (\$1.4 million)*—Seed money is sought to support feasibility and marketing planning for the creation or expansion of a variety of business infrastructure buildups, including business incubators, research parks, and/or business learning centers.
- (4) *Workforce Development (\$1.0 million)*—Funding will assist the Universities in providing training, equipment and start-up costs for technology-based, workforce development academic programs that address the Commonwealth’s Regional Workforce Investment Boards’ High Priority Occupations.
- (5) *Technology Transfer and Commercialization Resource Network (\$0.5 million)*—The PASSHE Technology Transfer and Commercialization Resource Network will provide an integrated approach to protecting intellectual property and advancing projects toward commercialization. In addition to legal and financial services, assistance will be provided with patent searches and applications, negotiation of licensing agreements, equity agreements, stock warrants, etc.

**Educator Excellence .....\$1,500,000**

The Educator Excellence component of the Program Initiatives line item will build upon the strengths of PASSHE Universities, the Pennsylvania Academy for the Profession of Teaching and Learning, and the Labor Education Institute. This funding will continue efforts to (1) enhance the quality of preparation for elementary and early childhood educators, (2) improve preparation of education students for the PRAXIS test, (3) increase the number of qualified teachers and other professionals for urban school districts, (4) increase the number and quality of science and mathematics teachers and (5) enhance the skills of current teachers and administrators through professional development.

**Other Line Items**

**Diversity and Equal Opportunity .....\$1,676,000**



This \$1.7 million request continues vital System-wide initiatives designed to achieve and promote diversity by serving the educational needs of historically underrepresented minority student, faculty and staff populations. These initiatives include programs that (1) expand the nationally acclaimed R. Benjamin Wiley Partnership Program, (2) enhance joint recruitment activities conducted by admissions personnel, (3) serve students who require necessary accommodations under the Americans with Disabilities Act, (4) add value to campus climate and retention initiatives and (5) enhance the professional development of women and minority faculty.

**McKeever Environmental Learning Center .....\$563,000**

The Commonwealth created the McKeever Environmental Learning Center in 1974 to assist citizens of all ages in becoming better stewards of the earth's resources. The environmental education programs offered by the McKeever Center meet the needs of students from preschool through—and beyond—college and provide student interns with valuable teaching experience while working in an outdoor setting. Three lodges, a 200-seat auditorium, a dining hall, a maintenance building, the director's residence and the discovery building comprise the McKeever Center complex, which is located on 205 acres in Mercer County and administered by Slippery Rock University. This request of \$563,000 provides full funding for operation of the Center in 2007-08.

**Pennsylvania Center for Environmental Education .....\$380,000**

The Pennsylvania Center for Environmental Education, located at Slippery Rock University, has been funded by the Commonwealth for several years through the Department of Environmental Protection. In 2006-07, funding for this Center was appropriated directly to PASSHE. This request of \$350,000 continues level funding for the Center in 2007-08.

Total Line Item Requests     \$24,033,000