

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

Meeting Minutes

138th Meeting
Thursday, April 10, 2008
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
Ms. Donna Cooper (designee for Secretary Gerald L. Zahorchak)
Mr. Paul S. Dlugolecki
Mr. Daniel P. Elby
Mr. Ryan Gebely
Representative Michael K. Hanna
Mr. Kenneth M. Jarin (*Chair*)
Mr. Kim E. Lyttle
Mr. Joshua A. O'Brien
Mr. Joseph M. Peltzer
Mr. C.R. "Chuck" Pennoni
Mr. Guido M. Pichini
Mr. Aaron A. Walton

Senator Vincent J. Hughes and Ms. Christine J. Toretta Olson were absent.
Senator James J. Rhoades was represented by Ms. Debra Gentzler.

Office of the Chancellor:

Jeffrey Cooper, Esquire
Mr. James S. Dillon
Dr. Peter H. Garland
Mr. Thomas M. Krapsho
Dr. Khalil Yazdi

Also in attendance for participation or in support of Committee and Board activities from the Office of the Chancellor: Warren Anderson, Ira Blake, Charmaine Clowney, Steve Dupes, Rita Frealing-Shultz, Audrey Guistwhite, Kathleen Howley, Lois Johnson, Kenn Marshall, Jeff McCloud, Jim Moran, Joel Snavelly and Bonnie Westhafer.

University Presidents in attendance: Madeleine Wing Adler, Angelo Armenti, Jr., Tony Atwater, Kenneth W. Borland, Jr. for Robert J. Dillman, Jeremy D. Brown, F. Javier Cevallos, Joseph P. Grunenwald, Michelle R. Howard-Vital, Keith T. Miller, Francine G. McNairy, Maravene S. Loeschke, William N. Ruud, Robert M. Smith and David L. Soltz.

Chairman Jarin called the meeting to order at 9:10 a.m. He noted that several Board members were participating by telephone and a roll call vote would be taken for all action items. 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 JANUARY 10, 2008 MEETING

Chairman Jarin noted that the minutes of the January 10, 2008 meeting were distributed prior to the meeting. The Chairman moved **THAT THE MINUTES OF THE JANUARY 10, 2008 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. The Chairman stated that this is an exciting time for our universities with Pennsylvania being in the spotlight for presidential politics. Presidential hopefuls Hillary Clinton and Barack Obama, and their supporters, were on PASSHE campuses. Senator Clinton visited Millersville University while Senator Obama visited West Chester University (appearing with Chris Matthews on *Hardball*). Chelsea Clinton visited Millersville, Bloomsburg and West Chester Universities, and is scheduled to visit Slippery Rock University. In each case, the campus appearances have given thousands of our students the opportunity to connect more deeply to the electoral process.

Chairman Jarin stated that after the primaries, attention will turn back to the deliberations over the 2008-09 budget. Governor Rendell's proposed budget includes a 3% increase for PASSHE and level funding for our line item requests and is considerably better than what is recommended for other sectors of higher education. Efforts made by University Presidents, the Chancellor and her staff, and the Board to improve quality, promote efficiency and ensure student success led to such favorable treatment by the Governor. The Chairman noted that conversations with legislative leaders demonstrate that they are committed to the System and continue to push for full funding of our appropriations request.

Chairman Jarin recognized the many outstanding individuals taking part in the meeting and noted their accomplishments and service to the System. During yesterday's Committee meetings, the Board was introduced to and learned about the many accomplishments of the 2008 Ali Zaidi award winner for academic excellence—Brendon Johnson of West Chester University—as well as the two students who were runners-up for the award: Brittany Fox of Cheyney University and Nicole Thierwechter of Shippensburg University. Chairman Jarin stated that the candidates recommended by the Universities were examples of the talented

students that are educated every day by System Universities. He acknowledged and thanked the Highmark Foundation for a donation that will allow the three finalists to be recognized for their excellence.

The Chairman stated that the achievements of the students reflect their talents and the aspirations of their families as well as the dedication of faculty. He noted that there is no better example of dedication than that of Professor Wilma Cavill, who has been a member of Slippery Rock University's faculty for 50 years.

Chairman Jarin noted that this will be the last regular meeting for two student Board members; Ryan Gebely will graduate next month from California University and Joe Peltzer will graduate from Shippensburg University. They have been strong advocates for the System generally and for students specifically. He wished them well.

Chairman Jarin noted that today will be the last regular Board meeting for President Madeleine Wing Adler of West Chester University. He stated that President Adler has set a standard for university leadership in PASSHE and the nation.

Chairman Jarin stated that this will be Chancellor Judy G. Hample's last regular Board meeting after nearly seven years leading PASSHE to the next level of excellence. He stated that our universities today are academically stronger, more diverse, more efficient and more in demand than ever thanks to Chancellor Hample's leadership. He commended Chancellor Hample for working tirelessly on behalf of the students to ensure their access to high quality, affordable universities.

Chairman Jarin reported that the Board met in Executive Session from 9:20 a.m. to 10:55 a.m., for the purpose of discussing personnel matters.

Chairman Jarin called on Chancellor Judy G. Hample for her report.

REPORT OF THE CHANCELLOR

Chancellor Hample welcomed those in attendance. She recognized Governors Gebely and Peltzer as outstanding student leaders, thanked them for their service to the Board of Governors, and extended best wishes in their future career endeavors.

Chancellor Hample thanked members of the Board of Governors, the Councils of Trustees, the University Presidents, faculty, staff and students for their support during her seven-year tenure as Chancellor of the Pennsylvania State System of Higher Education. She spoke about the strong academic leadership within the System and the quality and educational experience that students receive at PASSHE Universities.

The Chancellor commended the work of faculty and students and the successful programs that were showcased during the Academic and Student Affairs Committee meeting: Millersville University's three Science, Technology and Mathematics (STEM) research programs and Shippensburg University's Campus Global Positioning System Research and Development project.

Chancellor Hample announced the second annual diversity summit will be held at the Holiday Inn Harrisburg East on April 24 and 25. The summit, titled "Access to Success: A 21st Century Imperative," will provide opportunities for the universities to share ideas, strategies and innovative best practices designed to recruit and retain a diverse student population to their campuses.

Chancellor Hample reported that eight PASSHE Universities (Bloomsburg, California, Clarion, Edinboro, Indiana, Kutztown, Lock Haven and Slippery Rock) participated in the second nursing gala sponsored by the Pennsylvania Higher Education Foundation, the charitable foundation of the Pennsylvania Higher Education Assistance Agency (PHEAA), and Johnson & Johnson. The March 11 fund-raising event was held in Philadelphia and raised more than \$500,000 for nursing scholarships, faculty fellowships and nursing school grants.

Chancellor Hample's written report to the Board is attached (Attachment #1). The report includes highlights of University accomplishments, fundraising grants and awards, student and faculty achievements and university and community partnerships.

PUBLIC COMMENTS

Dr. Patricia Heilman, president of APSCUF, addressed the Board. Dr. Heilman offered congratulations and extended best wishes to: Chancellor Hample on her new position as president of the University of Mary Washington; President Adler for her leadership and service to West Chester University; Brendon Johnson on winning the Syed R. Ali-Zaidi Award for Academic Excellence; and, Governors Gebely and Peltzer for their service to the Board. Dr. Heilman also recognized the dedication of Dr. Cavill, who has been a member of the faculty at Slippery Rock University for 50 years.

Dr. Heilman shared data comparing faculty contract salary increases for 2008-09 and management merit increases.

Dr. Heilman spoke about the decline in state appropriations funding for the state-owned universities. She stated that several states have launched joint advocacy projects to educate the public on the importance of investing in public higher education, and in turn, lobby for more support from their legislators. APSCUF looks forward to working with the Board in this endeavor.

Dr. Heilman stated that good labor union contracts are needed to recruit and retain qualified faculty. She asked the Board to lobby against Senate Bill 1250 that has the potential to take away domestic partner benefits in the current faculty contract.

Mr. Joshua O'Brien read a statement opposing Senate Bill 1250 and requested that the Board lobby against passage of the bill.

COMMITTEE REPORTS WITH RELATED ACTIONS

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: a presentation on

Science, Technology and Mathematics (STEM) at Millersville University: Making a Difference for Students, Faculty and the Commonwealth; a presentation on Shippensburg University's Campus Global Positioning System Research and Development Project; and, the 2008 Syed R. Ali-Zaidi Award for Academic Excellence.

Mr. Walton introduced Mr. Brendon Johnson, a graduating senior at West Chester University of Pennsylvania, as the recipient of the Syed R. Ali-Zaidi Award for Academic Excellence. The two runners-up for the award were Ms. Brittany Fox, Cheyney University of Pennsylvania, and Ms. Nicole Thierwechter, Shippensburg University of Pennsylvania.

The Committee has four items to recommend to the Board for approval.

Mr. Walton moved **THAT THE BOARD OF GOVERNORS APPROVE THE MASTER OF ARTS DEGREE PROGRAM IN APPLIED ARCHAEOLOGY AT INDIANA UNIVERSITY OF PENNSYLVANIA.** Chairman Jarin requested that a roll call vote be taken. The motion passed unanimously.

Mr. Walton moved **THAT THE BOARD OF GOVERNORS APPROVE THE MASTER OF EDUCATION DEGREE PROGRAM IN EDUCATIONAL LEADERSHIP AT LOCK HAVEN UNIVERSITY OF PENNSYLVANIA.** Chairman Jarin requested that a roll call vote be taken. The motion passed unanimously.

Mr. Walton moved **THAT THE BOARD OF GOVERNORS APPROVE THE MASTER OF SCIENCE DEGREE PROGRAM IN ADAPTED PHYSICAL ACTIVITY AT SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA.** Chairman Jarin requested that a roll call vote be taken. The motion passed unanimously.

Mr. Walton moved **THAT THE BOARD OF GOVERNORS APPROVE THE DOCTOR OF PHILOSOPHY DEGREE PROGRAM IN COMMUNICATIONS MEDIA AND INSTRUCTIONAL TECHNOLOGY AT INDIANA UNIVERSITY OF PENNSYLVANIA.** Chairman Jarin requested that a roll call vote be taken. The motion passed unanimously.

B. Advancement Committee

Mr. Lyttle presented the report on behalf of the Advancement Committee. The Committee received information on recent legislative activity and related issues, a report on advocacy efforts by PASSHE Universities and an update on the PASSHE Foundation. There were no action items to report.

C. Information Technology

Mr. Dlugolecki presented the report on behalf of the Information Technology Committee. The Committee received an update on the Shared Administrative System. There were no action items to report.

D. Finance, Administration, and Facilities Committee

Mr. Pichini presented the report on behalf of the Finance, Administration, and Facilities Committee. The Committee has thirteen items to recommend to the Board for approval.

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

Mr. Pichini moved **THAT THE BOARD OF GOVERNORS:**

APPROVE CALIFORNIA UNIVERSITY'S REQUEST TO BOND FINANCE A GESA PROJECT ESTIMATED AT \$650,000.

APPROVE KUZTOWN UNIVERSITY'S REQUEST TO BOND FINANCE A GESA PROJECT ESTIMATED AT \$5.9 MILLION.

APPROVE SLIPPERY ROCK UNIVERSITY'S REQUEST TO BOND FINANCE A GESA PROJECT ESTIMATED AT \$4.6 MILLION.

APPROVE CALIFORNIA UNIVERSITY'S REQUEST TO BOND FINANCE THE REPLACEMENT OF TENNIS COURTS AT A COST OF APPROXIMATELY \$1.5 MILLION.

APPROVE CLARION UNIVERSITY'S REQUEST TO BOND FINANCE THE CONSTRUCTION OF A \$1.0 MILLION PARKING LOT.

APPROVE EAST STROUDSBURG UNIVERSITY'S ACQUISITION OF THE PROPERTY AT 75 SMITH STREET, EAST STROUDSBURG, PENNSYLVANIA.

APPROVE SHIPPENSBURG UNIVERSITY'S RENOVATION AND EXPANSION OF THE CEDDIA UNION BUILDING USING BOND FINANCING OF APPROXIMATELY \$25 MILLION.

APPROVE SLIPPERY ROCK UNIVERSITY'S REQUEST TO CONSTRUCT A NEW 4,500-SQUARE-FOOT ART STUDIO.

APPROVE SLIPPERY ROCK UNIVERSITY'S CONSTRUCTION OF A NEW STUDENT UNION BUILDING USING BOND FINANCING OF APPROXIMATELY \$37 MILLION.

APPROVE THE REQUEST TO BOND FINANCE REPLACEMENT OF FACILITIES AT THE MARINE SCIENCE CONSORTIUM AT WALLOPS ISLAND, VIRGINIA, AT AN ESTIMATED COST OF \$15 MILLION.

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

Mr. Pichini moved **THAT THE BOARD OF GOVERNORS ADOPT THE RESOLUTION AUTHORIZING ISSUANCE OF THE SERIES AH BOND ISSUE (Attachment #2).** Chairman Jarin requested that a roll call vote be taken. The motion passed unanimously. Chairman Jarin abstained.

Mr. Pichini moved **THAT THE BOARD OF GOVERNORS ADOPT THE RESOLUTION TO AUTHORIZE FUTURE ISSUANCE OF REFUNDING BONDS WHEN MARKET CONDITIONS PERMIT AND AFTER THE VICE CHANCELLOR FOR ADMINISTRATION AND FINANCE CONSULTS WITH THE CHAIRMAN OF THE FINANCE, ADMINISTRATION, AND FACILITIES COMMITTEE** (Attachment #3). Chairman Jarin requested that a roll call vote be taken. The motion passed unanimously.

Mr. Pichini moved **THAT THE BOARD OF GOVERNORS APPROVE THE UNDERGRADUATE NONRESIDENT TUITION PLANS FOR 2008/09** (Attachment #4). Chairman Jarin requested that a roll call vote be taken. The motion passed unanimously.

E. Human Resources Committee

Ms. Conley Lammando presented the report on behalf of the Human Resources Committee. The Committee received an update on the Review of the Presidential Search Process. The Committee has one item to recommend to the Board for approval.

Ms. Conley Lammando moved **THAT THE BOARD OF GOVERNORS APPROVE:**

- 1. ESTABLISH A 5% PERFORMANCE-BASED MERIT SALARY POOL FOR PASSHE MANAGERS 140 THROUGH 260 WITH SALARY ADJUSTMENTS TO BE EFFECTIVE JULY 1, 2008;**
- 2. ACCOMPLISH MERIT PAY ADJUSTMENTS CONSISTENT WITH THE PROVISIONS OF THE NEW PAY SCHEDULE AND GUIDELINES TO BE ISSUED BY THE OFFICE OF THE CHANCELLOR GIVING THE CHANCELLOR AND UNIVERSITY PRESIDENTS THE AUTHORITY TO PROVIDE MERIT INCREASES FOR MANAGERS IN PAY GRADES 140 THROUGH 260;**
- 3. AUTHORIZE THE CHANCELLOR IN CONSULTATION WITH THE HUMAN RESOURCES COMMITTEE OF THE BOARD OF GOVERNORS TO SET THE SALARIES OF PRESIDENTS IN PAY GRADE 260;**
- 4. REQUIRE UNIVERSITY PRESIDENTS TO REPORT TO THE CHANCELLOR ON THE OVERALL DISTRIBUTION OF MERIT INCREASES FOR MANAGERS USING THE CRITERIA PROVIDED.**

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

F. Executive Committee

Chairman Jarin presented the report on behalf of the Executive Committee. The Committee has two items for Board approval.

Chairman Jarin moved **THAT THE BOARD OF GOVERNORS (1) APPROVE THE APPOINTMENT EXTENSION OF DONALD B. PASSMORE, AS DIRECTOR OF THE INTERNAL REVIEW GROUP, TO FEBRUARY 19, 2009 AND FOR DEAN A. WEBER, AS**

MANAGER OF THE INTERNAL REVIEW GROUP, BY ONE YEAR FROM JUNE 30, 2008 TO JUNE 30, 2009, AND (2) DIRECT THE CHAIRMAN OF THE BOARD TO EXECUTE THE APPROPRIATE LETTERS TO EXTEND THE APPOINTMENTS. A roll call vote was taken and the motion passed unanimously.

Chairman Jarin moved **THAT THE BOARD OF GOVERNORS APPOINT DR. LINDA L. LAMWERS, PROVOST AND VICE PRESIDENT FOR ACADEMIC AFFAIRS, AS INTERIM PRESIDENT OF WEST CHESTER UNIVERSITY OF PENNSYLVANIA, EFFECTIVE JULY 1, 2008 THROUGH JUNE 30, 2009 OR UPON THE APPOINTMENT OF A NEW PRESIDENT OF WEST CHESTER UNIVERSITY OF PENNSYLVANIA, WHICHEVER IS SOONER.** A roll call vote was taken and the motion passed unanimously.

BOARD ACTION

Mr. Pichini read into the record a resolution honoring the contributions of Ryan J. Gebely. Chairman Jarin moved **THAT THE BOARD OF GOVERNORS APPROVE THE RESOLUTION** (Attachment #5). The motion passed unanimously.

Mr. Dlugolecki read into the record a resolution honoring the contributions of Joseph M. Peltzer. Chairman Jarin moved **THAT THE BOARD OF GOVERNORS APPROVE THE RESOLUTION** (Attachment #6). The motion passed unanimously.

Mr. Walton read into the record a resolution honoring the contributions of Wilma J. Cavill, a faculty member at Slippery Rock University. Chairman Jarin moved **THAT THE BOARD OF GOVERNORS APPROVE THE RESOLUTION** (Attachment #7). The motion passed unanimously.

Mr. Brinjac read into the record a resolution honoring the contributions of Dr. Madeleine Wing Adler, President, West Chester University of Pennsylvania, and bestowing the title of President Emerita, with all the rights and responsibilities granted and associated with the title. Chairman Jarin moved **THAT THE BOARD OF GOVERNORS APPROVE THE RESOLUTION** (Attachment #8). The motion passed unanimously.

Mr. Lyttle read into the record a resolution honoring the contributions of Dr. Judy G. Hample, Chancellor, Pennsylvania State System of Higher Education, and bestowing the title of Chancellor Emerita, with all the rights and responsibilities granted and associated with the title. Chairman Jarin moved **THAT THE BOARD OF GOVERNORS APPROVE THE RESOLUTION** (Attachment #9). The motion passed unanimously.

ANNOUNCEMENT

Chairman Jarin announced that the October 2008 Board of Governors' meeting will be held on October 22-23, 2008.

Chairman Jarin announced that the next quarterly Board of Governors' meeting is scheduled for July 16-17, 2008.

ADJOURNMENT

There being no further items of business to come before the Board, the Chairman adjourned the meeting at 1:20 p.m.

ATTEST:

Peter H. Garland
Secretary to the Board

Highlights from the Pennsylvania State System of Higher Education (PASSHE) April 10, 2008

The Pennsylvania State System of Higher Education (PASSHE) will hold its second annual diversity summit April 24 and 25 at the Holiday Inn Harrisburg East. The summit, titled "Access to Success: A 21st Century Imperative," will provide senior executives from PASSHE's universities opportunities to share ideas, strategies and innovative best practices designed to recruit and retain a diverse student population to their campuses. The summit's keynote speaker will be Charlotte F. Westerhaus, vice president for diversity and inclusion for the National Collegiate Athletic Association (NCAA). She will provide an update on Title IX.

Eight PASSHE Universities participated in the second nursing gala sponsored by the Pennsylvania Higher Education Foundation, the charitable foundation of the Pennsylvania Higher Education Assistance Agency (PHEAA), and Johnson and Johnson. The fund-raising event was held March 11 in Philadelphia, raising more than \$500,000 for nursing scholarships, faculty fellowships and nursing school grants. The eight PASSHE Universities that participated in the event purchased a total of 16 seats at \$750 each. **Edinboro, Kutztown and Slippery Rock Universities** each bought three seats; **Clarion and Lock Haven Universities**, two each; and **Bloomsburg, California and Indiana Universities**, one each. Johnson & Johnson paid all expenses for the event. All funds raised will be used to benefit nursing students and nursing programs in the Commonwealth.

University Accomplishments and Other Noteworthy Activities

Clarion University of Pennsylvania's College of Business Administration achieved reaffirmation of accreditation for its bachelor of science in business administration and master of business administration degree programs by the Association to Advance Collegiate Schools of Business (AACSB). The extension of accreditation is for six years. AACSB International, founded in 1916, is the oldest and most prestigious business accrediting body in the world. To maintain accreditation, business programs must meet a wide range of quality standards relating to the strategic management of resources, student admission and retention practices, interactions of faculty and students in the educational process, professional development of faculty, and the assessment of learning outcomes in degree programs to assure quality.

Bloomsburg University of Pennsylvania's music program has earned accreditation from the National Association of Schools of Music (NASM). BU's program is one of 617 programs accredited nationally. Enrollment in BU's music program, which consists of tracks in music education certification K-12, audio/video recording and liberal arts, has grown from 14 majors in 1997 to 76 majors in 2007.

West Chester University of Pennsylvania's Bachelor of Science programs in chemistry and biochemistry have been accredited by the American Chemical Society (ACS). The University's

Bachelor of Science in forensic chemistry program has been accredited by the Forensic Science Education Programs Accreditation Commission (FEPAC).

Edinboro University of Pennsylvania's programs in school psychology, special education and secondary education in both English and social studies have received national recognition from noted scholarly organizations. The school psychology program has received approval through December 2012 from the National Association of School Psychologists (NASP). The special education program has been awarded full national recognition by the Council for Exceptional Children (CEC), the prevailing professional society in special education. The National Council of Teachers of English (NCTE) has bestowed national recognition without condition on the Secondary Education – English program. The National Council for the Social Studies (NCSS), the largest organization in the country devoted solely to social studies education, has recognized the University's secondary education program in social studies. These programs join Edinboro's programs in counseling, early childhood education, educational leadership, reading specialist and elementary education in gaining further national distinction in addition to the full and unreserved National Council for the Accreditation of Teacher Education (NCATE) accreditation enjoyed by all programs in the School of Education.

Mansfield University of Pennsylvania's Education Unit has received the strongest possible recognition from the National Council on Accreditation for Teacher Education (NCATE). Several individual programs within the unit also have met the professional standards set by their specialty organizations. They are secondary level programs in English, math, foreign language and social studies and graduate education programs in music, elementary, early childhood, reading, school library and special education.

Clarion University of Pennsylvania's Keeling Health Center has received a three-year re-accreditation from the Accreditation Association for Ambulatory Health Care (AAAHC). Keeling Health Center has been accredited by AAAHC since 2001. AAAHC reviews 24 standards of health care to determine if an organization meets its standard of care and services.

Lock Haven and Millersville Universities of Pennsylvania have been named to the "President's Higher Education Community Service Honor Roll" in recognition of their commitment to service-learning and civic engagement. Honorees are chosen based on a series of selection factors, including scope and innovativeness of service projects, percentage of student participation in service activities, incentives for service and the extent to which the school offers academic service-learning courses.

Bloomsburg University of Pennsylvania will resume its Bachelor of Science degree program in American Sign Language/English Interpreting this fall. The program is the only one of its kind in Pennsylvania and one of very few programs on the East Coast. Beginning in 2012, certification by the Registry of Interpreters for the Deaf will require a four-year degree. Interpreters also need to complete 80 hours of continuing education every four years to maintain their certification.

Shippensburg University of Pennsylvania has opened a clinic on campus to provide free counseling for individuals and families in the community. Besides providing valuable services, the clinic also offers graduates students the opportunity to gain practical experience they need to graduate. The graduate students who will provide the service are near the end of their coursework in counseling and are participating in the clinical field experience segment of their degree requirements.

East Stroudsburg University of Pennsylvania is hosting state Senator Lisa J. Baker as its 2008 Legislative Fellow. The Legislative Fellow Program was established in 1999 to bring state legislators to campus to participate in a variety of campus activities. Fellows meet formally and informally with students, faculty and staff throughout the academic year. Sen. Baker is a graduate of **Shippensburg University of Pennsylvania**.

Edinboro University of Pennsylvania has broken ground on a \$115 million residence hall complex, which will involve the construction of eight new residence halls with a capacity for nearly 1,600 students.

Fundraising, Grants and Other Awards

Cheyney University of Pennsylvania has received a \$1 million grant from the state Department of Education to provide scholarships to 20 students who will be recruited to become certified to teach in Pennsylvania's public elementary schools. The university also has received a \$1.1 million grant from the U.S. Department of Energy to help refurbish the infrastructure of the Carver Science Center.

California University of Pennsylvania is partnering with the Carnegie Mellon University National Robotics Center on a project to design automated vehicles for ground forces that would help dramatically reduce the loss of human life during war. The project has received nearly \$1.8 million to date and an additional \$950,000 is pending from the U.S. Department of Defense. The Defense Department's goal is to have 30 percent of its ground force vehicles "robotics automated" by 2014.

West Chester University of Pennsylvania has received a bequest of \$1 million from Dr. Ammon and Mrs. Loretta Kershner to support the renovation of the student services center. Dr. Kershner is a retired faculty member.

Indiana University of Pennsylvania professor Larry Vold, who directs the Philadelphia Urban Seminar Program, has received a \$270,000 grant from the Pennsylvania Academy for the Profession of Teaching and Learning. The funding will be used to expand teacher education programs in urban areas, including providing financial support for students who participate in the program. Since 2004 Vold has received a total of \$793,000 from the Philadelphia School District and the Pennsylvania State System of Higher Education to develop and expand student teaching in Philadelphia and the Philadelphia Urban Seminar Program.

Lock Haven University of Pennsylvania will receive \$600,000 from the estate of former Lock Haven resident Gladys V. Romeo to fund scholarships for students in the University's physician assistant program. The nationally ranked program is a graduate, entry level program with a mission to prepare highly qualified physician assistants for practice in rural and medically underserved regions of the Commonwealth.

Millersville University of Pennsylvania recently dedicated the Fanani Jewelry Studio in Breidenstine Hall on campus. The studio was named for Dr. Dominick J. Fanani, professor emeritus, who has contributed \$500,000 to the University.

Three **Indiana University of Pennsylvania** faculty members again have been successful in gaining grant funding to provide services to Pennsylvania's Women's, Infants and Children's nutritional program (WIC). This most recent grant of \$244,307 will be used to develop a program titled "QWIC LEARN: Local, Efficient, Accessible, Responsive, Nutrition Education: Moving Learning Forward in Pennsylvania." The team consists of Dr. Stephanie Taylor-Davis and Dr. Mia Barker, professors in the Department of Food and Nutrition, and Dr. William F. Barker, professor in Education and School Psychology.

East Stroudsburg University of Pennsylvania has received an \$82,800 Keystone Innovation Starter Kit grant from the state Department of Community and Economic Development (DCED) to support the development of a Homeland Security Technology Research Center. The Center is being designed to enhance the existing computer science and computer security degree programs at the undergraduate and graduate levels.

Slippery Rock University of Pennsylvania's Center on Disability and Health has received a \$60,000 grant from the Foundation for the National Institutes of Health and the CVS Caremark Charitable Trust to continue its "I Can Do It, You Can Do It" mentoring initiative for three more years. The program, led by SRU's adapted physical activity minor, places SRU students in leadership roles teaching exercise programs to youths and adults with intellectual disabilities.

University and Community Partnerships

California University of Pennsylvania's Network for Accomplished Teaching (CALNAT) is providing support to teachers seeking National Board Certification. Considered the highest honor in the teaching field, national certification has been awarded to only 368 educators in Pennsylvania, six of whom are Cal U alumni.

East Stroudsburg University of Pennsylvania has established the Research and Economic Development division that includes the Office of Sponsored Programs and Research, Workforce Development Programs, Business Accelerator Program and the management of the Center for Research and Economic Development. The University's award-winning Business Accelerator program is creating high-tech jobs while sponsored programs and research efforts have generated in excess of \$14 million in grant funding over the past five years.

The Kutztown University of Pennsylvania Latino Business Resource Center (KULBRC), in partnership with National Penn Bank, Kutztown University's Small Business Development Center and Berks County Latino Chamber of Commerce, is offering a 12-week bilingual program titled "Business Skills for Success." The program targets the growing Hispanic business community to receive enhanced entrepreneurial education. It will utilize an innovative blended learning model consisting of class lessons, online business plan workshops and one-on-one business consultations. National Penn Bank will provide a \$50,000 loan pool to the partnership, which will benefit 10 graduates of the seminar in the amount of \$5,000 each.

Kutztown University has joined with the Borough of Kutztown to create a neighborhood safety watch program for downtown Kutztown. The volunteer program matches students with borough residents for a "Neighborhood Safety Watch," which patrols during the peak social hours on Thursdays, Fridays and Saturdays. The volunteer program works closely with the Kutztown Area Police Department, which provides training and serves as the central

reporting location for unusual disturbances and observations made by the participating volunteers.

Lock Haven University of Pennsylvania will offer an 11-session workshop on Chinese language and culture that will be open to in-service teachers, University faculty and staff and high school and University students. The workshops will be offered through Lock Haven's partner school, Yao Hua High School in Tianjin, China.

Student and Faculty Recognition

Slippery Rock University of Pennsylvania computational physics major Duayne Rieger has been admitted to the geophysics doctoral program at Yale University on a full scholarship and technical assistantship worth \$60,000 a year. Rieger, who will graduate in May, plans to become a college professor or research scientist.

West Chester University of Pennsylvania physics major Jonathan Kanatous has been awarded a competitive National Science Foundation (NSF) fellowship worth \$4,000. He will work for 10 weeks in the Laboratory for Research on the Structure of Matter at the University of Pennsylvania, supervised by faculty, including West Chester physics professor Kevin Aptowicz.

Cheyney University of Pennsylvania student Walter Lewis won third place in the Colgate Palmolive-NOBCCChE Undergraduate Poster Competition held as part of the National Organization for the Professional Advancement of Black Chemists and Chemical Engineers' annual conference. Mr. Lewis's research findings also will be published as part of the organization's annual conference proceedings.

Mansfield University of Pennsylvania student Sharon Thomas has been appointed student commissioner of The Governor's Advisory Commission on African American Affairs in Pennsylvania. A senior communications major from Harrisburg, Ms. Thomas is the first student appointed to the Commission in 10 years.

Shippensburg University of Pennsylvania student Joseph Donohoe has been recognized for his academic achievements with a JoAnne Day Student of the Year Award, the first time that both a Shippensburg student and a Pennsylvania state institution has won the award. The award recognizes two students enrolled at institutions that are members of the Pennsylvania Association of College and Employers and who have completed an internship and made significant contributions.

Clarion University of Pennsylvania associate professor of theater Ed Powers received the first Region II Kennedy Center/American College Theatre Festival Gold Medallion for Excellence in Student Mentorship during the organization's festival held at Carnegie Mellon University. Powers co-chaired Region II KCACTF design from 2001-04, helped develop the Region II KCACTF stage management and sound design award, served as technical director of the conference when it was held at Clarion University and developed the technical olympics held at the conference.

**Resolution Authorizing the Issuance of Bonds
by the Pennsylvania Higher Educational Facilities Authority**

WHEREAS, the State System of Higher Education of the Commonwealth of Pennsylvania (the “System”) desires that the Pennsylvania Higher Educational Facilities Authority (the “Authority”) issue up to \$143 million in project cash of its State System Revenue Bonds Series AH for System projects (the “Projects”) consisting of (1) auxiliary facilities renovations and construction at Bloomsburg, California, Clarion, East Stroudsburg, Edinboro, Kutztown, Shippensburg, and Slippery Rock Universities of Pennsylvania; (2) Academic Facilities Renovation Program (“AFRP”) and other academic facilities at California, East Stroudsburg, Indiana, Kutztown, and Slippery Rock Universities of Pennsylvania; (3) energy savings improvements at California, Indiana, Kutztown, and Slippery Rock Universities of Pennsylvania and the Dixon University Center; and (4) contingency and issuance costs for the Series AH Bonds (the “Bonds”); and

WHEREAS, the Authority will lend the proceeds of the Bonds to the System to finance the costs of the Projects and pay the expenses incident to issuance of the Bonds; and

WHEREAS, the System may make expenditures relating to clauses (1) through (4) of the definition of the Projects contained above prior to issuance of the Bonds, and the System desires to preserve the ability to reimburse itself with proceeds of the Bonds for any amounts expended for the Projects; and

WHEREAS, the obligation of the System to repay the Bonds will be described in and evidenced by a Loan Agreement, as supplemented (the “Loan Agreement”), between the Authority, as lender, and the System, as borrower, pursuant to which the System will pledge the full faith and credit of the System as security for repayment of the obligation; and

WHEREAS, the Loan Agreement will be assigned by the Authority as security for the Bonds pursuant to a Trust Indenture, as supplemented (the “Indenture”), between the Authority and a trustee; and

WHEREAS, the Authority will, by public invitation, solicit and receive competitive bids from underwriters for the purchase of the Bonds, which bids will contain, among other terms, proposed interest rates on the Bonds.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Governors of the System (the “Board”) hereby approve the issuance of the Bonds by the Authority, in an amount in project cash not to exceed \$143 million for the Series AH Bonds, the proceeds of which will be used to undertake the Projects and pay the costs of issuance of the Bonds; and be it

RESOLVED, that the Board hereby delegate to the Chancellor or Vice Chancellor for Administration and Finance the power to accept bids for purchase of the Bonds from underwriters and to determine the principal amount of the Bonds to be issued by the Authority, but not in excess of the amount described above, the rates of interest, dates of maturity, provisions for optional or mandatory redemption, and other details, such approval to be evidenced by acceptance of the bid for purchase of the Bonds by the Authority and the System; and be it

RESOLVED, that the Board hereby authorize the pledging of the System's full faith and credit to repayment of the Bonds, as provided in the Loan Agreement, and does hereby authorize and direct the Chancellor or Vice Chancellor for Administration and Finance to execute, acknowledge, and deliver, and any Responsible Officer to attest such signature to a supplement to the Loan Agreement in such form as the officers executing it may approve, such approval to be conclusively evidenced by execution thereof; and be it

RESOLVED, that any Responsible Officer is hereby authorized and empowered to approve the content of the Preliminary Official Statement and the Official Statement of the Authority relating to issuance of the Bonds as to information concerning the System and its affairs; and be it

RESOLVED, that any Responsible Officer is hereby authorized and directed to take such further action and to execute and deliver such other instruments and documents as may, in his or her judgment or upon advice of counsel, be necessary or advisable to effect issuance of the Bonds by the Authority, the intent of this Resolution, and the transactions contemplated.

Secretary to the Board

Chairman of the Board

Date

**2008 Series AH Bond Issue
Tax-Exempt Financing Plan**

April 2008

Current Debt Structure

Pennsylvania State System of Higher Education Bond Issues

The Series A bonds were issued June 1, 1985, at a par value of \$31 million to finance the Indiana University of Pennsylvania cogeneration plant. Scheduled amortization started in June 1988 and was to run through June 1994. Serial interest rates ranged from 6.50% to 8.20%. Series A bonds were refunded by Series C in June 1987. The refunding took advantage of lower interest rates, saving approximately \$2.2 million, and aligned the principal and interest payments with the cogeneration plant's revenue stream.

The Series B bonds were issued June 1, 1986, for a par value of \$25.9 million to finance 47 capital projects System-wide. Scheduled amortization started in June 1987 and concluded in June 1994. Serial interest rates ranged from 4.60% to 7.10%. Series B bonds called for a debt service reserve fund of \$3.9 million to be used to pay the last principal and interest payment. This fund earned an interest rate higher than the cost of borrowing, resulting in realized investment income of \$1 million. Universities with projects that participated in the bond issue received a prorated share of the debt service reserve fund investment income. The Series B issue allowed refinancing of existing capital leases for a savings of \$1.2 million. Also, by financing capital projects, the universities could invest the operating capital in the Short-Term Investment Fund at an interest rate higher than the financing cost, providing investment income and flexibility.

The Series C bonds were issued July 1, 1987, for a par value of \$38 million to finance residence halls at Bloomsburg and Kutztown Universities of Pennsylvania and to refund the Series A bonds. Serial interest rates ranged from 4.40% to 7.60%.

The Series D bonds were issued June 15, 1990, for a par value of \$58.8 million to finance student unions at Clarion, Lock Haven, and Shippensburg Universities of Pennsylvania, and a residence hall at West Chester University of Pennsylvania. This bond issue also provided refinancing of State System internal loans for interest savings of \$1.3 million. The Series D bonds launched the Reimbursement Program, which provided \$17.7 million of capital financing. Serial interest rates ranged from 5.90% to 7.15%. Series D bonds were refunded by Series I in May 1993.

The Series E bonds were issued June 15, 1991, for a par value of \$54.8 million to finance student unions at Bloomsburg, California, Clarion, East Stroudsburg, Edinboro, Kutztown, Lock Haven, Millersville, and Shippensburg Universities of Pennsylvania, and a residence hall at West Chester University of Pennsylvania. This bond issue included \$12.3 million of capital reimbursement bonds. Serial interest rates ranged from 4.70% to 7.10%. Series E bonds were refunded by Series K in March 1994.

The Series F bonds were issued December 15, 1992, for a par value of \$35.2 million to finance student unions, energy conservation equipment, and the renovation of dining halls at various State System universities. This bond issue provided \$19 million of capital

reimbursement bonds. Serial interest rates range from 2.70% to 6.15%. Series F long-term maturities were refunded by Series P in February 1998.

The Series G bonds were issued December 15, 1992, for a par value of \$14.2 million to refund the Series C bonds maturing on and after September 1, 1996. This refunding issue provided present value savings of \$825,000 to Bloomsburg and Kutztown Universities of Pennsylvania for their student housing projects. Serial interest rates range from 2.70% to 6.15%. Series G bonds were refunded by Series X in May 2003.

The Series H bonds were issued May 18, 1993, for a par value of \$15.9 million to finance a computer purchase and energy conservation equipment at various State System universities. This bond issue provided \$13.6 million of capital reimbursement bonds. Serial interest rates range from 2.70% to 5.80%. Series H bonds were refunded by Series W in October 2002.

The Series I bonds were issued May 18, 1993, for a par value of \$61.4 million to refund the Series D bonds maturing on and after June 15, 1993. This refunding issue provided present value savings of \$2.4 million to various State System universities. Serial interest rates range from 2.70% to 5.80%. Series I bonds were refunded by Series X in May 2003.

The Series J bonds were issued March 16, 1994, for a par value of \$28.3 million to finance a recreation center, a fiber-optic network, a smokestack and engine retrofit, and student unions at various State System universities. This bond issue provided \$14.4 million of capital reimbursement bonds. Serial interest rates range from 3.35% to 5.75%. Series J bonds were refunded by Series W in October 2002.

The Series K bonds were issued March 16, 1994, for a par value of \$55.4 million to refund the Series E bonds maturing on and after June 15, 1994. This refunding issue provided present value savings of \$1.8 million to various State System universities. Serial interest rates ranged from 2.95% to 5.70%. The Series K bonds were refunded by Series Z in March 2004.

The Series L bonds were issued July 14, 1994, for a par value of \$45.9 million to finance a recreation center, computer equipment, student housing, and student unions at various State System universities. This bond issue provided \$26.8 million of capital reimbursement bonds. Serial interest rates range from 3.75% to 6.30%. Series L long-term maturities were refunded by Series P in February 1998.

The Series M bonds were issued March 14, 1995, for a par value of \$35.4 million to finance instructional equipment purchased at Clarion University of Pennsylvania, energy conservation measures at two universities, and renovations to various residence halls and dining facilities at Indiana University of Pennsylvania. This bond issue provided \$29.3 million of capital reimbursement bonds. Serial interest rates range from 4.50% to 5.98%. Series M bonds were refunded by Series W in October 2002.

The Series N bonds were issued April 2, 1996, for a par value of \$44.5 million to finance construction of a recreation center at Mansfield University of Pennsylvania, renovation of a

residence hall at Kutztown University of Pennsylvania and a dining hall at Indiana University of Pennsylvania, installation of a campus-wide fiber-optic network at California University of Pennsylvania, and installation of a PBX phone system at Millersville University of Pennsylvania. This bond issue provided \$30.5 million of capital reimbursement bonds. Serial interest rates range from 3.65% to 5.85%. Series N bonds were refunded by Series Z in March 2004.

The Series O bonds were issued June 25, 1997, for a par value of \$46.7 million to finance construction of a recreation center and student housing at Slippery Rock University of Pennsylvania; road and site utilities development at Indiana University of Pennsylvania; various computer and telecommunication purchases at Clarion, Kutztown, and Millersville Universities of Pennsylvania; and a property acquisition at West Chester University of Pennsylvania. This bond issue provided \$17.7 million of capital reimbursement bonds. Serial interest rates range from 3.77% to 5.35%.

The Series P bonds were issued February 25, 1998, for a par value of \$72.9 million to refund a portion of the Series F bonds and a portion of the Series L bonds maturing on and after December 15, 2002, and June 15, 2004, respectively. This refunding issue provided present value savings of \$3.9 million to the State System. Serial interest rates range from 3.50% to 4.40%.

The Series Q bonds were issued June 30, 1998, for a par value of \$22.7 million to finance construction of a recreation center at Clarion University of Pennsylvania; a dining hall addition at Millersville University of Pennsylvania; a comprehensive electrical upgrade at Shippensburg University of Pennsylvania; various computer and telecommunication purchases at Millersville, Indiana, and Shippensburg Universities of Pennsylvania; and facilities renovations and the acquisition of equipment and furnishings by various State System universities. Serial interest rates range from 3.82% to 5.05%.

The Series R bonds were issued June 17, 1999, for a par value of \$31.1 million to finance an addition to the student center at California University of Pennsylvania, renovation of an addition to the dining facilities at Kutztown University of Pennsylvania, renovation of a library to a student union at Mansfield University of Pennsylvania, purchase and installation of computer and telecommunications equipment at Shippensburg and Clarion Universities of Pennsylvania, purchase and installation of fiber-optic wiring at Clarion University of Pennsylvania, purchase of a building to be used by the Culinary School at Indiana University of Pennsylvania, and facilities renovations at various State System universities. Serial interest rates range from 3.40% to 5.24%.

The Series S bonds were issued June 21, 2000, for a par value of \$51.7 million to finance the design and construction of on-campus apartments at Bloomsburg University of Pennsylvania; design and construction of renovations and additions to the dining accommodations and student union facilities at Kutztown University of Pennsylvania; renovations of student union facilities at California University of Pennsylvania; design and renovation of academic facilities at System universities; purchase and installation of computer and telecommunications equipment at Bloomsburg, Edinboro, and Slippery Rock

Universities of Pennsylvania; and purchase of lab equipment at Mansfield University of Pennsylvania. Serial interest rates range from 4.54% to 5.81%.

The Series T bonds were issued July 12, 2001, for a par value of \$69.6 million to finance the design and construction of a recreation center at East Stroudsburg and Lock Haven Universities of Pennsylvania; installation of a central chiller at Indiana University of Pennsylvania; renovation and maintenance of facilities at California University of Pennsylvania; construction of student housing at Bloomsburg University of Pennsylvania; technology initiatives at Clarion, Edinboro, and West Chester Universities of Pennsylvania; installation of residence hall sprinklers; design and renovation of academic facilities at System universities; and a shared administrative computer system. Serial interest rates range from 2.50% to 5.09%.

The Series U bonds were issued August 8, 2002, for a par value of \$14.4 million to finance the Academic Facilities Renovation Program; renovation and maintenance of facilities at Bloomsburg, California, Edinboro, and Mansfield Universities of Pennsylvania; expansion of the fire detection system at Indiana University of Pennsylvania; and design and renovation of a recreation center at East Stroudsburg University of Pennsylvania. Serial interest rates range from 1.61% to 4.92%.

The Series V bonds were issued August 8, 2002, for a par value of \$25.2 million to finance the acquisition and installation of residence hall sprinklers at all of the universities and the continued implementation of the shared administrative system. This was the System's first variable rate issue, with terms of 20 years for the sprinklers and 7 years for the shared administrative system. Weekly resets of interest rates and monthly payments of interest are established for this issue.

The Series W bonds were issued October 15, 2002, for a par value of \$69.1 million to refund the Series H bonds, the Series J bonds, and the Series M bonds. This refunding issue provided present value savings of \$3.8 million to the State System.

The Series X bonds were issued May 29, 2003, for a par value of \$80.9 million to refund the Series G bonds and the Series I bonds. The refunding issue provided a present value savings of \$6.2 million to the State System. The Series X bonds also issued new money for auxiliary facilities renovations and construction at Bloomsburg, California, Indiana, Kutztown, Mansfield, Millersville, and Shippensburg Universities of Pennsylvania; academic facilities renovation and general campus improvements at Bloomsburg and California Universities of Pennsylvania; installation of fire alarm systems at Indiana University of Pennsylvania; and property acquisitions at East Stroudsburg University of Pennsylvania. Serial interest rates range from 0.99% to 4.33%.

The Series Y bonds were issued June 19, 2003, for a par value of \$25.4 million to finance the acquisition and installation of residence hall sprinklers at all of the universities and the continued implementation of the shared administrative computer system. This was the System's second variable rate issue, with terms of 20 years for the sprinklers and 7 years for the shared administrative computer system. Weekly resets of interest rates and monthly payments of interest are established for this issue.

The Series Z bonds were issued March 17, 2004, for a par value of \$71.8 million to refund the Series K bonds and the Series N bonds. The refunding issue provided a present value savings of \$6.6 million to the State System. Serial interest rates range from 1.00% to 4.43%.

The Series AA bonds were issued July 8, 2004, for a par value of \$28.8 million to finance auxiliary facilities renovations and construction at Bloomsburg, California, Indiana, Kutztown, Mansfield, Millersville, and Shippensburg Universities of Pennsylvania; academic facilities renovations and general campus improvements at Bloomsburg, California, and Kutztown Universities of Pennsylvania; energy savings improvements at Shippensburg University of Pennsylvania; installation of fire alarm systems at Indiana University of Pennsylvania; and property acquisitions at East Stroudsburg University of Pennsylvania. Serial interest rates range from 1.66% to 5.00%.

The Series AB bonds were issued July 8, 2004, for a par value of \$21.0 million to finance the acquisition and installation of residence hall sprinklers at all of the universities and the continued implementation of the shared administrative computer system. This was the System's third variable rate issue, with terms of 20 years for the sprinklers and 7 years for the shared administrative computer system. Weekly resets of interest rates and monthly payments of interest are established for this issue.

The Series AC bonds were issued July 7, 2005, for a par value of \$52.7 million to finance auxiliary facilities renovations and construction at Bloomsburg, Cheyney, Edinboro, Indiana, Kutztown, Millersville, and Shippensburg Universities of Pennsylvania; academic facilities renovations and general campus improvements at California, Cheyney, Indiana, Kutztown, Shippensburg, and Slippery Rock Universities of Pennsylvania; network equipment upgrade at Clarion University of Pennsylvania; continued installation of fire alarm systems at Indiana University of Pennsylvania; and property acquisitions at East Stroudsburg University of Pennsylvania. Serial interest rates range from 2.66% to 4.50%.

The Series AD bonds were issued July 7, 2005, for a par value of \$7.3 million to finance the acquisition and installation of residence hall sprinklers at all of the universities. This was the System's fourth variable rate issue, with a term of 20 years for the sprinklers. Weekly resets of interest rates and monthly payments of interest are established for this issue.

The Series AE bonds were issued July 6, 2006, for a par value of \$103.3 million to finance auxiliary facilities renovations and construction at Bloomsburg, Cheyney, East Stroudsburg, Edinboro, Kutztown, Lock Haven, Millersville, and Shippensburg Universities of Pennsylvania; academic facilities renovations and general campus improvements at East Stroudsburg, Kutztown, and Millersville Universities of Pennsylvania; energy savings improvements at Edinboro and West Chester Universities of Pennsylvania. Serial interest rates range from 3.70% to 4.82%.

The Series AF bonds were issued July 10, 2007, for a par value of \$68.2 million to finance auxiliary facilities renovations and construction at California, Clarion, East Stroudsburg, Kutztown, Shippensburg, and West Chester Universities of Pennsylvania; Academic Facilities Renovation Program ("AFRP") and other academic facilities at East Stroudsburg, Indiana,

and Kutztown Universities of Pennsylvania; energy savings improvements at East Stroudsburg and West Chester Universities of Pennsylvania. Serial interest rates range from 3.80% to 4.60%.

The Series AG bonds were issued March 27, 2008, for a par value of \$101.3 million to refund the Series O bonds, the Series P bonds, and the Series Q bonds. The refunding issue provided a present value savings of \$6.9 million to the State System. Serial interest rates range from 2.10% to 4.70%.

Of the original \$1.52 billion principal amount issued, through principal repayment and refunding of bond issues, \$664 million is outstanding as of April 1, 2008.

**State System of Higher Education
Proposed 2008 Series AH Summary
Tax-Exempt Bond Issue**

Auxiliary Construction/Renovations

Bloomsburg Student Housing (544 beds)	\$34,550,000
California Fitness Center	10,000,000
Clarion Dining	5,896,128
Clarion Parking Lot	1,000,000
Edinboro University Center	1,500,000
Kutztown Student Housing (857 beds)	13,344,063
Shippensburg Recreation Center	2,871,000
Shippensburg Reisner Dining Renovation/Addition	12,734,000
Slippery Rock Boozel Dining Renovation	3,750,000

Other

California ESCO	700,000
Indiana ESCO	10,400,000
Kutztown ESCO	5,900,000
Slippery Rock ESCO	4,000,000
Dixon University Center ESCO	1,500,000

E & G

AFRP	2,100,000
California DUDA Renovations (Note Payoff)	2,887,058
California Science Labs (Note Payoff)	1,659,513
California Tennis Courts	1,500,000
East Stroudsburg Marine Science Consortium	5,000,000
East Stroudsburg Pedestrian Safety and Storm Water Management	6,017,390
East Stroudsburg Science and Technology Building	1,347,880
Indiana Fisher Auditorium	4,000,000
Kutztown Marine Science Consortium	5,000,000
Slippery Rock Patterson Hall	3,200,000

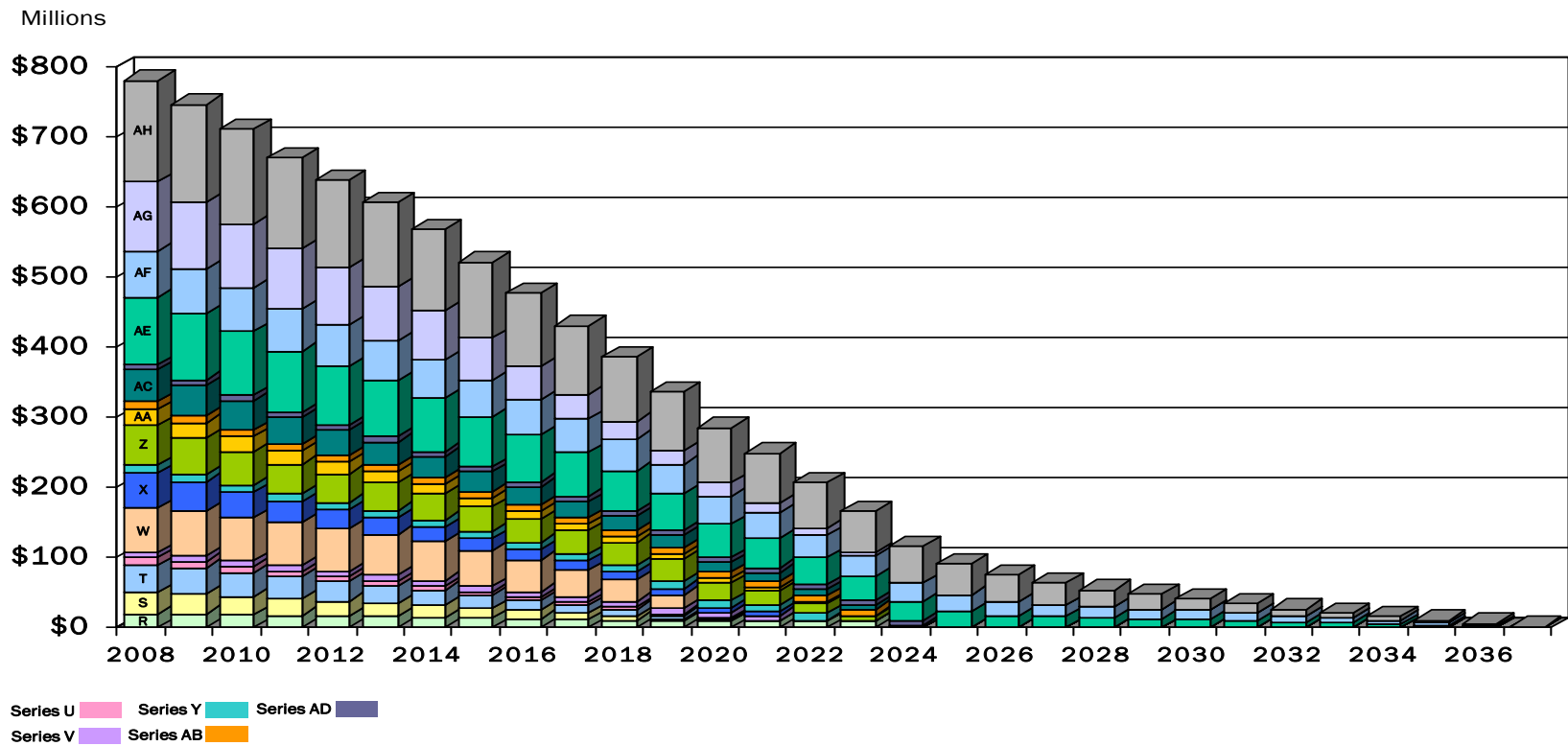
Contingency and Issuance Costs at 1.5%	2,112,855
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\$142,969,887

System Debt Outstanding by Bond Issue

Fiscal Years Ending 2008-2037

Including Proposed Series AH



Bond Series Indicated by Letter

**Resolution Authorizing Issuance of Bonds
by the Pennsylvania Higher Educational Facilities Authority**

WHEREAS, the State System of Higher Education of the Commonwealth of Pennsylvania (the “System”) desires that the Pennsylvania Higher Educational Facilities Authority (the “Authority”) undertake a project (the “Project”) consisting of the issuance of bonds (the “Refunding Bonds”) to refund all or a portion of various series of bonds issued by the Authority on behalf of the System (the “Prior Bonds”); and

WHEREAS, the Board of Governors of the System (the “Board”) has determined that it is desirable to authorize the Chancellor to proceed with the issuance of the Refunding Bonds when market conditions permit, as long as the present value savings on the Refunding Bonds equal or exceed 4%, and this authorization expires June 30, 2009; and

WHEREAS, the Authority will lend the proceeds of the Refunding Bonds to the System to finance the costs of the Project and to pay expenses incidental to issuance of the Refunding Bonds; and

WHEREAS, the obligation of the System to repay the Refunding Bonds will be described in and evidenced by a Loan Agreement, as supplemented (the “Loan Agreement”), between the Authority, as lender, and the System, as borrower, pursuant to which the System will pledge the full faith and credit of the System as security for repayment of the obligation; and

WHEREAS, the Loan Agreement will be assigned by the Authority as security for the Refunding Bonds pursuant to a Trust Indenture, as supplemented (the “Indenture”), between the Authority and the accepted trustee; and

WHEREAS, the Authority will, by public invitation, solicit and receive competitive bids from underwriters for the purchase of the Refunding Bonds, which bids will contain, among other terms, proposed interest rates on the Refunding Bonds.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorize the Chancellor to proceed with issuance of the Refunding Bonds by the Authority when market conditions permit, provided that the net present value savings on the Refunding Bonds equal or exceed 4%; this authorization will expire June 30, 2009; and be it

RESOLVED, that the Board hereby delegate to the Chancellor or Vice Chancellor for Administration and Finance the power to accept bids for purchase of the Refunding Bonds from underwriters and to determine the principal amount of the Refunding Bonds to be issued by the Authority, the rates of interest, dates of maturity, provisions for optional or mandatory redemption, and other details, such approval to be evidenced by acceptance of the bid for purchase of the Refunding Bonds by the Authority and the System; and be it

RESOLVED, that the Board hereby authorize pledging the System's full faith and credit to repayment of the Refunding Bonds, as provided in the Loan Agreement, and does hereby authorize and direct the Chancellor or Vice Chancellor for Administration and Finance to execute, acknowledge, and deliver, and any Responsible Officer to attest such signature to a supplement to the Loan Agreement in such form as the officers executing it may approve, such approval to be conclusively evidenced by execution thereof; and be it

RESOLVED, that any Responsible Officer is hereby authorized and empowered to approve the content of the Preliminary Official Statement and the Official Statement of the Authority relating to issuance of the Refunding Bonds as to information concerning the System and its affairs; and be it

RESOLVED, that any Responsible Officer is hereby authorized and directed to take such further action and to execute and deliver such other instruments and documents as may, in his or her judgment or upon advice of counsel, be necessary or advisable to effect issuance of the Refunding Bonds by the Authority, the intent of this Resolution, and the transactions contemplated.

Secretary to the Board

Chairman of the Board

Date

Pennsylvania State System of Higher Education
Proposed 2008/09 Undergraduate Nonresident Tuition Plans
For Consideration by the Board of Governors, April 9–10, 2008

California University	Continue to charge 160% of resident rate to nonresidents from all states.
Cheyney University	Continue to charge 200% of resident rate to all Delaware, Maryland, New Jersey, and New York residents.
Clarion University	Continue to charge 150% of resident rate to all incoming domestic nonresidents with SAT of 1,100 or higher and at least a 3.5 GPA or the top 20% of their graduating class. Charge 200% to all other domestic nonresidents.
East Stroudsburg University	Continue to charge 150% of resident rate to high-achieving nonresident science and technology majors (biology, chemistry, computer science, mathematics, and physics).
Edinboro University	Continue to charge 150% of resident rate to all domestic nonresidents.
Indiana University	Continue to charge, for main campus, 150% of resident rate to Indiana, Michigan, Ohio, Virginia, and West Virginia residents; and any students from other states with a high school cumulative GPA of at least 3.0 out of 4.0 or any transfer student with a GPA of at least 3.0 out of 4.0. For branch campus students, continue to charge 150% of resident rate to nonresidents from all states.
Lock Haven University	Continue to charge \$2,000 less than the maximum rate to all domestic nonresidents.
Mansfield University	Continue to charge 165% of resident rate to all New York residents.
Shippensburg University	Continue to charge 150% of resident rate to transfer students from five neighboring Maryland community colleges with dual admission agreements. Beginning Fall 2008, charge 225% of the resident rate to all Maryland residents not covered by the tuition differential for transfer students, listed above.
Slippery Rock University	Continue to charge 150% of resident rate to nonresidents from all states with GPA of at least 3.0 out of 4.0.

**Resolution Honoring the Contributions
of
Ryan Gebely**

WHEREAS, Ryan Gebely has provided excellent service as a member of the Board of Governors of the Pennsylvania State System of Higher Education (PASSHE) since his appointment in July 2007; and

WHEREAS, Ryan Gebely will graduate with a Bachelor of Science degree in science and technology education with a minor in political science from California University of Pennsylvania in May 2008; and

WHEREAS, Ryan Gebely has distinguished himself as a leader among PASSHE's broad student population, serving as president of the Student Government Association at California University of Pennsylvania; and as a regular and active participant in both campus projects as well as the activities of the PASSHE Board of Student Government Presidents (BSGP); and

WHEREAS, Ryan Gebely has served the California University of Pennsylvania community in a variety of ways, including as president of the Student Association Inc., which owns and operates the student bookstore and residence halls at Cal U. and provides a variety of student services, and as a founding member in Pennsylvania of "The Big Event," part of a nationwide effort to promote student volunteerism; and

WHEREAS, Ryan Gebely has been a thoughtful, loyal and accessible member of the Finance, Administration and Facilities Committee of the Board of Governors, and as an advocate for all PASSHE students throughout his tenure on the Board;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Governors of the Pennsylvania State System of Higher Education does acknowledge the many fine contributions of Ryan Gebely to the Board and to the entire Pennsylvania State System of Higher Education and wishes him well in the future as an outstanding alumnus of California University of Pennsylvania, and

BE IT FURTHER RESOLVED, that the Board of Governors extends best wishes to him in all of his future endeavors.

Unanimously adopted by the Board
April 10, 2008

Kenneth M. Jarin, Chairman

**Resolution Honoring the Contributions
of
Joseph M. Peltzer**

WHEREAS, Joseph M. Peltzer has provided excellent service as a member of the Board of Governors of the Pennsylvania State System of Higher Education (PASSHE) since his appointment in July 2007; and

WHEREAS, Joseph M. Peltzer will graduate with a Bachelor of Science degree in human resources management from Shippensburg University of Pennsylvania in May 2008; and

WHEREAS, Joseph M. Peltzer has distinguished himself as a leader among PASSHE's broad student population, serving as president of the Student Senate at Shippensburg University, as well as chair of the PASSHE Board of Student Government Presidents (BSGP); and

WHEREAS, Joseph M. Peltzer has served the Shippensburg University community in a variety of ways, including as organizer of "The Big Event," part of a nationwide effort to promote student volunteerism, and as president of his University's chapter of Phi Sigma Pi, a national honor fraternity; and

WHEREAS, Joseph M. Peltzer has been a thoughtful, loyal and accessible member of the Academic and Student Affairs Committee of the Board of Governors, and as an advocate for all PASSHE students throughout his tenure on the Board;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Governors of the Pennsylvania State System of Higher Education does acknowledge the many fine contributions of Joseph M. Peltzer to the Board and to the entire Pennsylvania State System of Higher Education and wishes him well in the future as an outstanding alumnus of Shippensburg University of Pennsylvania, and

BE IT FURTHER RESOLVED, that the Board of Governors extends best wishes to him as he continues his education in the master's program in college student personnel administration at James Madison University, and in all of his future endeavors.

Unanimously adopted by the Board
April 10, 2008

Kenneth M. Jarin, Chairman

**Resolution Honoring the Service
of
Wilma J. Cavill**

WHEREAS, Wilma J. Cavill, assistant professor in the Department of Health and Safety at Slippery Rock University of Pennsylvania, joined the faculty in 1958; and

WHEREAS, Wilma J. Cavill has earned the distinction of being named the most senior faculty member in the Pennsylvania State System of Higher Education (PASSHE), with 50 years of service; and

WHEREAS, Wilma J. Cavill has served Slippery Rock University of Pennsylvania as a teacher, coach and mentor for the last five decades; and

WHEREAS, Wilma J. Cavill vigorously supports the Slippery Rock University of Pennsylvania community and has been a visible presence at numerous campus activities, and, as senior member of the faculty, serves as grand marshal to set the tone and pace at University academic events; and

WHEREAS, Wilma J. Cavill has served as president, vice president and representative at-large for the Slippery Rock University of Pennsylvania chapter of the Association of Pennsylvania State College and University Faculties (APSCUF), and continues to serve the organization;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Governors of the Pennsylvania State System of Higher Education hereby wishes to publicly thank Ms. Wilma J. Cavill for her distinguished and extensive service to Slippery Rock University of Pennsylvania and the entire Pennsylvania State System of Higher Education; and

BE IT FURTHER RESOLVED, that the Board of Governors wishes her continued health and happiness long into the future.

Unanimously adopted by the Board
April 10, 2008

Kenneth M. Jarin, Chairman

**Resolution Honoring the Contributions
of
Dr. Madeleine Wing Adler**

WHEREAS, Dr. Madeleine Wing Adler has served as president of West Chester University of Pennsylvania since August 1, 1992; and

WHEREAS, under the leadership of Dr. Madeleine Wing Adler, the number of applications received annually by West Chester University of Pennsylvania has nearly doubled, while the average Scholastic Assessment Test (SAT) score of entering freshmen has increased by more than 140 points to 1,096; and

WHEREAS, Dr. Madeleine Wing Adler's commitment to attracting, enrolling and graduating students from a wide variety of educational, cultural and economic backgrounds has created a University population of students and faculty that is among the most diverse in the Pennsylvania State System of Higher Education; and

WHEREAS, under Dr. Madeleine Wing Adler's leadership, West Chester University added more than two dozen innovative academic programs, including Pharmaceutical Product Development, Applied Statistics and the Technology and Electronic Commerce MBA; and

WHEREAS, Dr. Madeleine Wing Adler presided over two successful capital campaigns, both of which exceeded their goals, and a series of major campus improvements, including renovations to more than 15 buildings and the completion of a state-of-the-art science center, music building and performing arts center; and

WHEREAS, Dr. Madeleine Wing Adler encouraged partnerships with community groups and businesses from across the region and world – from the Kennett Symphony and the Amazon Center for Environmental Education and Research to collaborations with Centocor, Johnson & Johnson and more than 100 other corporations; and

WHEREAS, Dr. Madeleine Wing Adler helped raise the stature of both West Chester University of Pennsylvania and the Pennsylvania State System of Higher Education as a member of the Board of the American Association of State Colleges and Universities (AASCU), and as a member of a variety of community and regional organizations; and

WHEREAS, Dr. Madeleine Wing Adler has announced her intent to retire June 30, 2008, after almost 16 years as president of West Chester University of Pennsylvania;

NOW THEREFORE BE IT RESOLVED, that the Board of Governors of the Pennsylvania State System of Higher Education expresses its sincere appreciation for these and the many other contributions Dr. Madeleine Wing Adler has made both to West Chester University, and as a leader among the PASSHE Presidents; and

BE IT FURTHER RESOLVED that the Board of Governors bestow the title of President Emerita on Dr. Madeleine Wing Adler, with all the rights and responsibilities granted and associated with the title.

Unanimously adopted by the Board
April 10, 2008

Kenneth M. Jarin, Chairman

**Resolution Honoring the Contributions
of
Dr. Judy G. Hample**

WHEREAS, Dr. Judy G. Hample, as Chancellor of the Pennsylvania State System of Higher Education (PASSHE), encouraged the development of a variety of new policies, programs and initiatives, all of which helped to create a culture of accountability and performance throughout the State System; and

WHEREAS, Dr. Judy G. Hample developed PASSHE's nationally recognized System Accountability Plan that assesses the overall performance of each University and demonstrates accountability for effective use of resources to students, the Governor, the General Assembly and Pennsylvania citizens; and

WHEREAS, Dr. Judy G. Hample re-designed and expanded PASSHE's Performance Funding Program, which rewards Universities based on performance in eight important areas, including student retention and graduation rates, degrees awarded, diversity, personnel cost ratio and faculty productivity; and

WHEREAS, Dr. Judy G. Hample oversaw the adoption of *Leading the Way*, a new strategic plan with goals aligned with the System Accountability Plan and Performance Funding Program; and

WHEREAS, under Dr. Judy G. Hample's guidance, student retention rates increased for all students in PASSHE, most significantly for African-American and Latino students, and the four-year graduation rate increased by 26 percent overall at the System's Universities, and by as much as 49 percent at individual Universities, and

WHEREAS, accreditation from professional organizations of PASSHE's academic programs increased by more than 53 percent during Dr. Judy G. Hample's tenure;

NOW THEREFORE BE IT RESOLVED, that the Board of Governors of the Pennsylvania State System of Higher Education expresses its sincere appreciation for these and the many other contributions Dr. Judy G. Hample made to public higher education and to the education of students in the Pennsylvania State System of Higher Education during her tenure; and

BE IT FURTHER RESOLVED that the Board of Governors bestow the title of Chancellor Emerita on Dr. Judy G. Hample, with all the rights and responsibilities granted and associated with the title.

Unanimously adopted by the Board
April 10, 2008

Kenneth M. Jarin, Chairman