

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

Meeting Minutes

198th Meeting
Thursday, October 17, 2013
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
Jennifer G. Branstetter (designee for Governor Thomas W. Corbett)
Marie Conley
Sara J. Dickson
Carolyn C. Dumaresq, Acting Secretary of Education
Christopher H. Franklin
Mark Grochocki (Senator Yudichak's designee)
Representative Michael K. Hanna
Ronald G. Henry
Jonathan B. Mack
David M. Maser
Joseph F. McGinn
Guido M. Pichini (Chair)
Robert S. Taylor
Aaron A. Walton

Senator Richard L. Alloway, II, Laura E. Ellsworth, and Senator John T. Yudichak were absent.

Office of the Chancellor:

Frank T. Brogan (Chancellor)
Karen S. Ball
James S. Dillon
Peter H. Garland
Andrew C. Lehman
James D. Moran

In attendance from the Office of the Chancellor: Ginger S. Coleman, Steven R. Dupes, Audrey J. Guistwhite, Lois M. Johnson, Kenneth D. Marshall, Michael A. Mottola, Georgia K. Prell, Victoria L. Sanders, George W. Reid, Dean A. Weber, and Eric J. Zeglen.

University Presidents in attendance: John M. Anderson, F. Javier Cevallos, Michael A. Driscoll, Michael Fiorentino, Jr., Interim President George F. "Jody" Harpster, Francis L. Hendricks, Michelle R. Howard-Vital, Interim President Geraldine M. Jones, Cheryl J. Norton, David L. Soltz, Greg R. Weisenstein, Marcia G. Welsh, Karen M. Whitney, and Julie E. Wollman.

Jenny S. Scipioni, Chief Executive Officer, PASSHE Foundation Board.

Chairman Pichini called the meeting to order at 9:05 a.m.

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 MEETINGS

Chairman Pichini noted that the minutes of the meetings held on July 8, 2013; July 9, 2013; July 25, 2013; August 7, 2013; and September 20, 2013, were distributed prior to the meeting. Chairman Pichini moved **THAT THE MINUTES OF THE JULY 8, 2013; JULY 9, 2013; JULY 25, 2013; AUGUST 7, 2013; AND SEPTEMBER 20, 2013, MEETINGS BE APPROVED.**

The motion passed unanimously.

REMARKS OF THE CHAIR

Chairman Pichini welcomed everyone to the Dixon University Center and the October quarterly meeting of the Board of Governors.

Chairman Pichini said the Board met in Executive Session on Wednesday, October 16, from 4:50 p.m. to 5:40 p.m.

Chairman Pichini welcomed the Pennsylvania State System of Higher Education's (PASSHE) new chancellor, Frank T. Brogan, to his first meeting of the Board of Governors.

He recognized Chancellor Brogan to be an extremely energetic leader who will be committed to his job and to the education of students. He has made a career of it, starting out as a classroom teacher and working his way through the ranks, including university president and chancellor of the Florida State University System before arriving at PASSHE.

Chairman Pichini recognized three new Board members to their first quarterly meeting: Carolyn Dumaresq, Christopher Franklin, and David Maser. He also announced the reappointment of four Board members to new terms: Marie Conley, Jonathan Mack, Guido Pichini, and Aaron Walton.

Recognitions:

- **Millersville University Baseball Team**

Chairman Pichini acknowledged the members of Millersville University of Pennsylvania's baseball team, who were present to be recognized for their life-saving actions last May. He asked Millersville's president, John Anderson, to introduce the Millersville University baseball team members and share with the Board the events that occurred on May 7, 2013.

Governor Walton read into the record a resolution honoring the Millersville University baseball team: Tyler McDonald, Zach Stone, Dave Pine, Tyler Orris, Tyler Thomas, Dan Stoltzfus, Evan King, and the coach, Johnathan Shehan.

Governor Walton moved **THAT THE BOARD OF GOVERNORS APPROVE THE RESOLUTION.**

(Attachment #1)

The motion passed unanimously.

- **Harold C. Shields (In Absentia)**

Chairman Pichini said Harold Shields has been an outstanding Board member since his appointment in April 2009. As his term has been completed, it is appropriate to recognize his consistent participation and contributions to this Board and to PASSHE.

Governor Henry read into the record a resolution honoring Harold C. Shields.

Governor Henry moved **THAT THE BOARD OF GOVERNORS APPROVE THE RESOLUTION.** (Attachment #2)

The motion passed unanimously.

- **Peter H. Garland**

Chairman Pichini acknowledged the work of Peter Garland, who served as Acting Chancellor during the period of transition. This Board is indebted to Peter for the leadership he provided as Acting Chancellor over the last seven months. "Acting" is not an easy job, but Peter performed in this capacity effortlessly. It is with much gratitude that the Board recognizes Peter for his leadership of the Pennsylvania State System of Higher Education.

Governor Conley read into the record a resolution honoring Peter H. Garland.

Governor Conley moved **THAT THE BOARD OF GOVERNORS APPROVE THE RESOLUTION.** (Attachment #3)

The motion passed unanimously.

- **Lois M. Johnson**

Chairman Pichini said Lois Johnson was asked to serve as Secretary of the Board while Peter Garland was serving as Acting Chancellor. Lois has done an outstanding job providing support for the Board and the Board would like to recognize Lois for her leadership.

Governor Mack read into the record a resolution honoring Lois M. Johnson.

Governor Mack moved **THAT THE BOARD OF GOVERNORS APPROVE THE RESOLUTION.** (Attachment #4)

The motion passed unanimously.

The Board went into Executive Session at 9:26 a.m. to 9:52 a.m.

REMARKS OF THE CHAIR

Chairman Pichini said PASSHE universities are responding both to demographic changes that have seen the number of high school graduates in the state decline significantly and a reduced level of state funding. He stated that, despite the challenges, PASSHE must remain committed to ensuring that all of the students receive the highest quality education possible – and one that is relevant to the changing job market. PASSHE must make certain the programs each of the universities offer meet the needs of students and the Commonwealth, and remain affordable.

Chairman Pichini mentioned that PASSHE universities continue to be recognized by a variety of national publications for their academic excellence – ranging from *Kiplinger's Magazine* and *The Princeton Review* to *U.S. News and World Report*.

Chairman Pichini said In order to maintain those rankings – and the quality education they demonstrate – PASSHE universities must not only become more efficient in the way they operate independently, but also must work more closely together through the development of collaborative programs and other joint efforts.

Chairman Pichini mentioned that among the items on the agenda today is approval of PASSHE's 2014-15 appropriations request, which must be submitted to the Governor's Office of Budget later this month. He acknowledged that budget discussions never really end and for at least the last several years, those discussions have been especially difficult.

Chairman Pichini mentioned PASSHE is facing enormous fiscal challenges; some universities already have seen that harsh reality as they have engaged in workforce planning efforts that will result in significant budget cuts and staff reductions. He acknowledged that today's difficult decisions must be made for the future of the students, the universities and the System.

Chairman Pichini turned the meeting over to Chancellor Brogan for his remarks.

REPORT OF CHANCELLOR

Chancellor Brogan said this was his first Board meeting; he is proud to be part of the PASSHE System and will give everything he has to work for the System. He thanked the Chair and members of the Board for the professional process by which the chancellor search was conducted and discussed PASSHE's impressive national reputation.

Chancellor Brogan said he visited Clarion and Indiana Universities of Pennsylvania and will visit all 14 universities by December 2.

He acknowledged the need to assess the strengths of PASSHE's undergraduate programs, the effectiveness of the general education programs, and the relevance and alignment of academic programs throughout the System to meet Commonwealth educational demand. Similarly, PASSHE will evaluate the online education program offerings in the near future, to assure students that all online courses and programs are easily accessible, of the highest quality and include the necessary support for successful completion.

He also mentioned efforts under way or soon to be started regarding strategic planning, distance education, methods of funding PASSHE universities, a transparent accountability system, and campus safety.

Chancellor Brogan recognized that safety is the most important thing on campus. The health, safety, and welfare of everyone attached to PASSHE's campuses should be of the highest priority.

Chancellor Brogan's full report to the Board was provided by email. The report includes highlights of System and University Accomplishments and Other Noteworthy Activities; Fundraising, Grants, Gifts, and Other Awards; University and Community Partnerships; and Student, Faculty, and Staff Recognition. (Attachment #5)

At this point, Chancellor Brogan turned the meeting over to the Chairman.

PUBLIC COMMENTS

Public comments were provided by Steve Hicks and Ken Mash on behalf of APSCUF. (Attachment #6)

COMMITTEE REPORTS WITH RELATED ACTIONS

A. Academic and Student Affairs Committee

Governor Walton presented the report on behalf of the Academic and Student Affairs Committee. The Committee reviewed three information items: Student Access and Success Profile, Multi-University Electronic Admissions Application Update, and the *Stop It Now!* Program.

Governor Walton noted that the Committee had no action items to recommend to the Board for approval.

B. Audit Committee

Governor McGinn presented the report on behalf of the Audit Committee. The Committee reviewed one information item: Report of the Committee Chair.

Governor McGinn noted that the Committee had no action items to recommend to the Board for approval.

C. External and Public Relations Committee

Governor Mack presented the report on behalf of the External and Public Relations Committee. The Committee reviewed one information item: Legislative Update. (Attachment #7)

Governor Mack noted that the Committee had no action items to recommend to the Board for approval.

D. Finance, Administration, and Facilities Committee

Governor Henry presented the report on behalf of the Finance, Administration, and Facilities Committee. The Committee reviewed three information items: Official Residence Renovation, California University of Pennsylvania; Demolition of Harley Hall, Shippensburg University of Pennsylvania (Attachment #8); and Funding Review Task Force (Attachment #9). Another information item not on the agenda was the Weapons Policy.

Governor Henry noted that the Committee had three action items to recommend to the Board for approval.

Governor Henry moved **THAT THE BOARD OF GOVERNORS APPROVE THE ATTACHED EDUCATIONAL AND GENERAL OPERATING BUDGETS FOR PASSHE ENTITIES FOR FISCAL YEAR 2013/14.** (Attachment #10)

The motion passed. One abstention.

Governor Henry moved **THAT THE BOARD OF GOVERNORS APPROVE A FISCAL YEAR 2014/15 EDUCATIONAL AND GENERAL APPROPRIATION REQUEST OF \$429,261,000 AND A LINE ITEM REQUEST FOR HIGH PRIORITY OCCUPATION PROGRAMS OF \$18,000,000.** (Attachment #11)

The motion passed. Five abstentions.

Governor Henry moved **THAT THE BOARD OF GOVERNORS APPROVE BLOOMSBURG UNIVERSITY'S ACQUISITION OF 26 ACRES OF LAND ADJACENT TO ITS UPPER CAMPUS IN BLOOMSBURG, PENNSYLVANIA.** (Attachment #12)

The motion passed unanimously.

E. Human Resources Committee

Governor Conley presented the report on behalf of the Human Resources Committee. The Committee reviewed one information item: Implementation Summary of Board of Governors' Policies 1983-01A: *Merit Principles*, and 1984-14-A: *Terms and Conditions of Employment of Senior Policy Executives*.

Governor Conley noted that the Committee had no action items to recommend to the Board for approval.

F. Executive Committee

Ms. Conley noted that the Committee had one action item to recommend to the Board for approval.

Ms. Conley moved **THAT THE BOARD OF GOVERNORS, HAVING EVALUATED THE UNIVERSITY PRESIDENTS, EXTENDS THE EMPLOYMENT OF THE FOLLOWING PRESIDENTS THROUGH JUNE 30, 2016: DAVID L. SOLTZ (BLOOMSBURG UNIVERSITY); MICHELLE R. HOWARD-VITAL (CHEYNEY UNIVERSITY); KAREN M. WHITNEY (CLARION UNIVERSITY); MARCIA G. WELSH (EAST STROUDSBURG UNIVERSITY); JULIE E. WOLLMAN (EDINBORO UNIVERSITY); MICHAEL A. DRISCOLL (INDIANA UNIVERSITY); F. JAVIER CEVALLOS (KUTZTOWN UNIVERSITY), MICHAEL FIORENTINO, JR. (LOCK HAVEN UNIVERSITY); FRANCIS L. HENDRICKS (MANSFIELD UNIVERSITY); JOHN M. ANDERSON (MILLERSVILLE UNIVERSITY); CHERYL J. NORTON (SLIPPERY ROCK UNIVERSITY); AND GREG R. WEISENSTEIN (WEST CHESTER UNIVERSITY); AND AUTHORIZE THE CHAIRMAN AND THE CHANCELLOR TO EXECUTE THE NECESSARY DOCUMENTS INCLUDING THE PRESIDENTIAL EMPLOYMENT AGREEMENTS TO EFFECT THIS SERVICE EXTENSION.**

The motion passed unanimously.

BOARD ACTION

Chairman Pichini moved **THAT THE BOARD OF GOVERNORS APPROVE THE MEETING DATES IN THE ATTACHED BOARD OF GOVERNORS' MEETING CALENDAR 2014-2016.** (Attachment #13)

The motion passed unanimously.

ADJOURNMENT

There being no further items of business to come before the Board, Chairman Pichini adjourned the meeting at 11:27 a.m.

ATTEST: _____
Lois M. Johnson
Secretary to the Board



**Resolution Honoring the Heroic Actions
of the
Millersville University of Pennsylvania Baseball Team**

WHEREAS, early in the morning on May 7, 2013, seven members of the Millersville University of Pennsylvania baseball team witnessed 22-month-old Braydin Norman experiencing a life-threatening seizure, and;

WHEREAS, the team members – Tyler McDonald of Chambersburg; Zach Stone of Coatesville; Dave Pine of Newtown; Tyler Orris of New Cumberland; Tyler Thomas of Elkton, Maryland; Dan Stoltzfus of Gap; and Evan King of Lancaster – responded quickly to the emergency situation, providing immediate assistance to the boy and his parents and calling for an ambulance; and

WHEREAS, as a result of the quick actions of the teammates, the boy opened his eyes, squeezed Zach's hand and became responsive; and

WHEREAS, upon their arrival, paramedics were able to further stabilize the young boy, who has since made a full recovery; and

WHEREAS, by their heroic actions, the Millersville University student athletes demonstrated the type of qualities of which we all can be proud and that make them outstanding ambassadors not only for the university, but also for the entire Pennsylvania State System of Higher Education;

NOW, THEREFORE, BE IT RESOLVED that the Board of Governors of the Pennsylvania State System of Higher Education recognizes Tyler McDonald, Zach Stone, Dave Pine, Tyler Orris, Tyler Thomas, Dan Stoltzfus and Evan King for their actions that helped save the life of Braydin Norman; and

BE IT FURTHER RESOLVED that the Board commend the Millersville University of Pennsylvania teammates for acting as true "heroes."

Unanimously adopted by the Board
October 17, 2013

Guido M. Pichini, Chairman



**Resolution Honoring the Contributions
of
Harold C. Shields**

WHEREAS, Harold C. Shields provided distinguished service to the Board of Governors of the Pennsylvania State System of Higher Education (PASSHE) since his appointment to the Board in April 2009; and

WHEREAS, Harold C. Shields served as an adviser to chancellors and to the staff of the Pennsylvania State System of Higher Education as academic, financial, administrative, advancement and human resources policies were developed to guide PASSHE within the mission and strategic direction identified by the Board of Governors; and

WHEREAS, Harold C. Shields contributed significantly to Board discussions and deliberations during his tenure on the Board as a member of the Finance, Administration and Facilities and Human Resources committees; and

WHEREAS, Harold C. Shields also has provided many years of dedicated service specifically to Edinboro University of Pennsylvania as a member of the university's Council of Trustees, including as chair; and

WHEREAS, Harold C. Shields utilized his knowledge, experience and expertise to the betterment of the State System and its students;

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 Harold C. Shields to the Board and to the entire Pennsylvania State System of Higher Education; 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
October 17, 2013

Guido M. Pichini, Chairman



**Resolution Recognizing the Contributions
of
Dr. Peter H. Garland**

WHEREAS, Dr. Peter H. Garland has provided outstanding direction and leadership to the Pennsylvania State System of Higher Education since his initial appointment as Executive Associate to the Chancellor in January 2002 through and during his service as Executive Vice Chancellor of the State System; and

WHEREAS, Dr. Peter H. Garland has for the past eight months served as Acting Chancellor of PASSHE, continuing to provide outstanding direction and leadership to the State System of Higher Education during this period of transition; and

WHEREAS, as Acting Chancellor, Dr. Garland successfully led PASSHE through the final stages of negotiations with the Association of Pennsylvania State College and University Faculties (APSCUF) and represented the State System before the Legislature as it developed the 2013-14 Commonwealth budget, which included PASSHE's annual appropriation; and

WHEREAS, Dr. Peter H. Garland in his various roles with PASSHE has served as a trusted adviser to the Board of Governors, assisting its members in the development of academic, financial, administrative, advancement and human resources policies to guide PASSHE within the mission and strategic direction identified by the Board; and

WHEREAS, Dr. Peter H. Garland continues to serve as an outstanding advocate for PASSHE, never wavering in his commitment to excellence on behalf of students;

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. Peter H. Garland has made to public higher education and to the education of students in the Pennsylvania State System of Higher Education during his tenure; and

BE IT FURTHER RESOLVED that the Board of Governors looks forward to continuing to work with Dr. Garland as he returns to his role as Executive Vice Chancellor.

Unanimously adopted by the Board
October 17, 2013

Guido M. Pichini, Chairman



**Resolution Recognizing the Contributions
of
Lois M. Johnson**

WHEREAS, Lois M. Johnson, as Associate Vice Chancellor for Administration and Finance for the Pennsylvania State System of Higher Education, provides outstanding direction and leadership in the development and oversight of the System's operating budget and financial policies; and

WHEREAS, Lois M. Johnson works closely with the Board of Governors, university presidents and fiscal and administrative vice presidents and budget officers in the development of PASSHE's budget request, pricing decisions and allocation of the annual state appropriation; and

WHEREAS, during the recent period of transition in System leadership, Lois M. Johnson assumed the additional role of Secretary to the Board of Governors, taking on the responsibility for organizing and administering a variety of Board activities; and

WHEREAS, during the same period of time, Ms. Johnson assumed similar duties with the Council of Presidents; and

WHEREAS, Lois M. Johnson continues to serve as an outstanding advocate for PASSHE, never wavering in her commitment to excellence on behalf of students;

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 Lois M. Johnson has made to public higher education and to the education of students in the Pennsylvania State System of Higher Education during her time with PASSHE; and

BE IT FURTHER RESOLVED that the Board of Governors looks forward to continuing to work with her for the betterment of PASSHE and the Commonwealth.

Unanimously adopted by the Board
October 17, 2013

Guido M. Pichini, Chairman



Highlights from the Pennsylvania State System of Higher Education (PASSHE) October 17, 2013

System and University Accomplishments and Other Noteworthy Activities

Twelve PASSHE universities are included in the *2014 Guide to Military Friendly Schools*, published by Victory Media, Inc., the premier media entity for military personnel transitioning into civilian life. The ranking honors the top 20 percent of colleges, universities and trade schools nationwide that are doing the most to embrace America's military service members, veterans and spouses as students and ensure their success on campus. PASSHE schools included in this year's guide are **California, Cheyney, Clarion, Edinboro, Indiana, Kutztown, Lock Haven, Mansfield, Millersville, Shippensburg, Slippery Rock and West Chester Universities of Pennsylvania.**

PASSHE universities continue to be listed in a number of national rankings for quality and value. Among them, **Bloomsburg, California, East Stroudsburg, Kutztown, Millersville, Shippensburg, Slippery Rock and West Chester Universities** all were featured in *Washington Monthly's* 2013 Best Bang for the Buck Rankings of master's universities. **Indiana University of Pennsylvania** was listed in *The Princeton Review's* book *2014 378 Best Colleges*, while **Cal U., IUP, Kutztown and Slippery Rock** universities were included among the *Review's* 226 best universities in the northeastern United States.

The NCAA has announced that the **Pennsylvania State Athletic Conference (PSAC)** led Division II in fundraising efforts for **its** annual fund drive benefitting the Make-A-Wish Foundation with a total of \$42,100 donated in 2012-13. The total donated to Make-A-Wish from all 24 Division II conferences was a record-setting \$517,465. **Edinboro University** student athletes raised \$9,424, the most money of any school in the PSAC and the fifth most among also NCAA D-II colleges and universities.

Three campus entities that serve underrepresented populations are now united as part of **Bloomsburg University of Pennsylvania's** Diversity and Inclusion Center. The center, part of the Dean of Students Office, includes Multicultural Affairs, the Women's Resource Center and LGBTQA Student Services. The center was formed to enhance student learning and personal development and create an environment that is supportive and welcoming to all students.

Cheyney University of Pennsylvania held a ribbon-cutting ceremony last month for the newly refurbished Humphreys Hall, the oldest academic building on campus. Built from local field stone, Humphreys hall originally opened in the early 1900s, and housed 14 Cheyney students. Named after the founder of the institution, Richard Humphreys, the 14,000 square-foot building, vacant for the past 10 years, recently underwent an extensive restoration to provide living-learning environments for a cohort of honors students known as Humphreys scholars.

Clarion University of Pennsylvania's Students' Association, in collaboration with the Traditions Council, last month unveiled an apple sculpture on the lawn of Grunenwald Center for Science and Technology. The white, marble composite apple is an open canvas on which students may express themselves and promote their organizations. Funded through the CSA Special Projects Fund, the apple honors Clarion University's long-standing commitment to education since its founding as Clarion Seminary in 1867.

East Stroudsburg University of Pennsylvania's Master of Education in instructional technology program at ESU received national recognition by the National Council for the Accreditation of Teacher Education (NCATE). ESU's program met every standard during the recent program review, which involved the transition to a new specialized professional association, the International Society for Technology in Education (ISTE). ESU was one of a small group of such programs to receive this national recognition based on the new ISTE Standards. ESU also offers instructional technology specialist certification that permits the holder to function in a support role for K-12 classroom and school activities. This certification can be obtained with or without the master's degree... **ESU's** Master of Science in speech-language pathology program has been re-accredited by the Council on Academic Accreditation in Audiology and Speech-Language Pathology. This national accreditation was the result of an extensive self-study culminating in a two-day site visit in April.

Edinboro University of Pennsylvania's Bachelor of Science degree program in computer science – theoretical track has been accredited by the Computing Accreditation Commission of ABET, Inc., the recognized accreditor of college and university programs in applied science, computing, engineering and engineering technology education. ABET accreditation demonstrates a program's commitment to providing its students with quality education. Edinboro's program is accredited through September 2017... **Edinboro University** adopted a new Academic Affairs organizational structure that divides its College of Arts & Sciences to create the College of Arts, Humanities and Social Sciences, and the College of Science and Health Professions.

Indiana University of Pennsylvania broke ground in August on Phase I of its \$37 million dining master plan. Construction of the Crimson Café, a \$6.5-million, 400-seat retail dining facility, is the first phase of the IUP Dining Innovations project. The facility will be located next to the IUP Performing Arts Center and the IUP library. It will open in fall 2014... **IUP's** Council of Trustees honored the career accomplishments of longtime football coach Frank Cignetti Sr. by designating the field located within George P. Miller Stadium as Frank Cignetti Field. Cignetti served as athletic director at IUP from 1982 to 1998 and as head football coach from 1986 to 2006. He holds the record at IUP for the most wins as a football coach, with a record of 182-50-1, a winning percentage of 78.3.

Kutztown University of Pennsylvania's Physics Department has been ranked 5th among all Pennsylvania higher education institutions in the number of bachelor's level physics degrees earned by students in the 2011-2012 academic year. According to the rankings compiled by the American Institute of Physics (AIP), KU joins Pennsylvania State University, Carnegie Mellon University, the University of Pittsburgh and the University of Pennsylvania on the list. Among Non-Ph.D. granting institutions, KU ranks No. 1... **KU** celebrated the grand reopening of the newly renovated Schaeffer Auditorium. The renovation preserved the stately beauty and historic integrity of the original building while adding a variety of new features, including a 23,000 square foot expansion, enhanced seating, stage lighting, music classrooms, dressing rooms and reception space. The main auditorium has 826 seats, a high-tech enclosed sound and lighting room and a new entryway...Pennsylvania Auditor

General Eugene DePasquale gave **Kutztown University** high marks for energy conservation during a visit to the campus. DePasquale said a performance audit showed Kutztown saved \$1.4 million in energy costs due to conservation measures.

Lock Haven University of Pennsylvania held a ribbon-cutting ceremony for its new Science Center, which brings into one building the entire science faculty, staff and students. The new science center is equipped with state-of-the art labs, lecture rooms and classrooms... **LHU** recently launched a new website (www.lhup.edu) and introduced a new mobile application platform. Both are part of a major marketing and branding initiative for the institution. The website includes new tools, robust functionality and introduces a new way for the university to communicate to external communities. The new mobile application platform allows for real time news, sports and information updates. It also has an application so that potential donors can give right from their mobile device.

Mansfield University of Pennsylvania hosted the annual Pennsylvania State System of Higher Education (PASSHE) Women's Consortium Conference last month. The Women's Consortium is the only PASSHE organization devoted to identifying and serving the needs of women. The theme of the conference was "Woman as Hero," with a focus on all the amazing and courageous accomplishments of women... Mansfield University on Sept. 14 hosted its first night football game in 121 years. Mansfield, which played the first ever night football game in 1892, recently installed light on Karl Van Norman field.

Millersville University of Pennsylvania was named as one of the safest campuses in the United States by BestColleges.com. The website ranked Millersville No. 8 out of 23 schools for excellent campus safety... CollegesOfDistinction.com, which highlights the best colleges to learn, grow and succeed, named **Millersville University** as one of the 2013-2014 Public Colleges of Distinction

Shippensburg University of Pennsylvania's Counseling Center has earned re-accreditation for eight years from the International Association of Counseling Services (IACS). Shippensburg is one of 198 schools nationally and internationally to be accredited by IACS. It is also one of six schools accredited in the Pennsylvania State System of Higher Education... **Shippensburg University's** online Early Childhood Director Credential program received the University Professional and Continuing Education Association's Mid-Atlantic Program Development Award. This award is offered for an effective, innovative and exceptional credit or non-credit program... The John L. Grove College at **Shippensburg University** is again recognized in *U.S. News & World Report's* 2014 "Best Undergraduate Business Programs" category. The college was ranked 342nd out of 681 undergraduate programs accredited by the Association to Advance Collegiate Schools of Business.

Slippery Rock University of Pennsylvania was named a 2013-14 "College of Distinction" by Student Horizons Inc. for its commitment to engage students, great teaching, vibrant communities and successful outcomes... *The Chronicle of Higher Education*, a weekly national news and job-information publication for college and university faculty members, administrators and students, again named **Slippery Rock University** a "Great College to Work For."... BestOnlineColleges.org, a leading resource for online education, named **Slippery Rock University's** special education program as one of the best in the nation in its 2013-14 national report.

Fundraising, Grants, Gifts and Other Awards

A heavily used intersection at the entrance to **Bloomsburg University** will receive an upgrade to improve safety, financed in part by a grant from the Appalachian Regional Commission (ARC). The \$350,000 grant, administered by SEDA-Council of Governments (SEDA-COG), supports a cooperative effort among the Town of Bloomsburg, BU and BU's Community Government Association... **Bloomsburg University** was one of 20 colleges and universities that received a grant from the Pennsylvania Liquor Control Board. The grant of \$39,953 will be used to develop strategies to reduce underage and dangerous alcohol use. PLCB awarded a total of \$2.14 million to 61

municipalities, community groups, schools, universities and law enforcement agencies through the Alcohol Education Grant Program... The Commonwealth Financing Authority approved a \$2 million grant under the Alternative and Clean Energy program for **Bloomsburg University** to purchase and install a gas boiler system and turbine generator. The new equipment will eliminate all coal fuel use at BU and reduce energy consumption by 2.5 percent. The university will provide the remainder of the funding for the \$10 million project... Stephanie L. Shepherd Prater, assistant professor of environmental, geographical and geological sciences at **Bloomsburg University**, received a National Science Foundation grant of \$383,000 over three years for collaborative research. The funding will support two student summer research projects during the period of the grant... Brett McLaurin, associate professor of environmental, geographical and geological sciences at **Bloomsburg University**, received a \$31,317 grant from the Pennsylvania Department of Conservation and Natural Resources for *Mapping Trout Run Quadrangle in Lycoming County*. McLaurin will use geologic field mapping, thin sections and other applicable analyses and data interpretation to produce a geologic map of the study area for submission to the Bureau of Topographic and Geologic Survey.

California University of Pennsylvania received grants totaling more than \$1.38 million in the last three months. They include \$248,771 from the U.S. Department of Education to support the Upward Bound program in Greene County and \$366,729 for Upward Bound-Fayette County; \$269,861 from the U.S. Department of Education for continued funding of Student Support Services in 2013-2014; \$193,500 from the Defense Logistics Agency for continued support of procurement technical assistance through GACO, the Government Agency Coordination office; \$109,438, the value of 20 MOVE academic site software licenses from Midland Valley Exploration Ltd., which will enable geological structural modeling and analysis in the Earth Sciences Department; and \$85,934 from the Pennsylvania Department of Environmental Protection for Cal U's participation in the "Pennsylvania Mine Map Atlas" project.

The lifetime giving amount by former **Clarion University** Foundation, Inc., board member Art Fleming, who passed away in May 2011, has exceeded \$3 million with the final distribution from his estate. The 2002 winner of PASSHE's Eberly Award for Philanthropy, Fleming supported areas of greatest need, including: building funds for Reinhard Villages, Seifert-Mooney Center for Advancement, Joseph P. Grunenwald Center for Science and Technology and Clarion's bell tower; placement of eagle statues at Waldo S. Tippin Gymnasium and Eagle Commons dining facility; and athletics in general... **Clarion University** science faculty have a new tool at their disposal - a scanning electron microscope, paid for through a \$353,000 grant from the National Science Foundation. The scanning electron microscope magnifies at two million times what the naked eye can see, whereas a standard optical microscope magnifies 2,000 times the eye's unaided ability. The new microscope can observe at the nanometer level, enabling research projects in areas such as physics, anthropology and biology.

Cheyney University received a \$25,000 donation from United Parcel Service (UPS) to support the CU's Call Me Mister Program and the Keystone Honors Academy. The Call Me Mister program seeks to significantly increase the number of African American males in the teaching profession. The Keystone Honors Academy (KHA) is a dynamic educational initiative for academically talented students from a low socioeconomic status. KHA provides students with academic, financial and professional resources to assist them as they prepare for the future. KHA's persistence rate is 82% and the program graduates students at a rate that is twice that of the national average for African Americans... For a second year, **Cheyney University's** University College was awarded a Behavioral Health Capacity Expansion Mini-Grant to support the continued development of the university's behavioral health programming. The grant will support a series of behavioral and mental health programs; student intern positions in programming, telecommunications and public relations; and the culminating event "Cheyney's Got Talent."

East Stroudsburg University of Pennsylvania and the Stroud Area Regional Police will each receive close to \$40,000 in grants from the Pennsylvania Liquor Control Board for initiatives aimed at preventing underage and dangerous alcohol use. Organizations across the state submitted more

than 100 applications for the 2013-15 grant cycle. The Bureau of Alcohol Education will distribute more than \$2.14 million over the next two years to 60 organizations... The **ESU** Research and Economic Development division was awarded a \$33,923 grant from the Appalachian Regional Commission (ARC) to fit out wet labs in the ESU Business Accelerator. The center will match the grant to double the size of the project... **ESU's** Office of Workforce Development (OWD) was awarded \$301,009 for fiscal year 2013-14 to support workforce training through the Workforce and Economic Development Network of Pennsylvania (WEDnetPA). Funding for WEDnetPA is provided by the Pennsylvania Department of Community and Economic Development (DCED).

Edinboro University of Pennsylvania has been awarded a grant from the National Endowment for the Humanities that includes a packaged set of NEH-funded films on Civil Rights history, accompanied by programming resources to guide public conversations about the changing meanings of freedom and equality in U.S. history. The grant was awarded through the efforts of Professor Umeme Sababu of the university's History, Anthropology and World Languages Department. Titled "Created Equal: America's Civil Rights Struggle," the program was developed as part of the NEH's "Bridging Cultures" initiative to mark the 150th anniversary of the Emancipation Proclamation. The grant includes a stipend to facilitate the programming of the documentaries... A \$100,000 grant from the Dr. & Mrs. Arthur William Phillips Charitable Trust was used to replace the Adult Human Patient Simulator in the Simulation Laboratory in the **Edinboro University** Department of Nursing.

A Bensalem company has provided the Safety Sciences Department at **Indiana University of Pennsylvania** a simulator that will help students better understand industrial safeguarding hazards. Airline Hydraulics Corp. custom manufactures the machine safeguarding simulator. The simulator features hand trips, presence-sensing devices and other safety measures that protect workers. At IUP, the simulator will be applied to a sanding machine the department already uses as a training tool.

Kutztown University and the Borough of Kutztown received a \$76,615 grant from the Pennsylvania Liquor Control Board for alcohol abuse prevention. The university will use the money for education and evaluation of students' alcohol use while the borough will utilize its portion for enforcement of underage drinking laws... **KU** physics professor Dr. Kunal Das and the Physics Department were the recipients of a 3-year \$120,000 National Science Foundation (NSF) grant to fund his research on how electrons and atoms move in nanostructures and microscopic waveguides.

Shippensburg University of Pennsylvania received a \$40,000 grant from the Pennsylvania Liquor Control Board (PLCB) to continue and enhance its efforts to prevent underage drinking. According to PLCB, the grant is one of 61 given to municipalities, community groups, schools, universities and law enforcement agencies to prevent underage and irresponsible alcohol consumption.

The Student Government Association Child Care Center at **Slippery Rock University** has been awarded a four-year grant totaling \$57,132 from the U.S. Department of Education in support of its on-going, child care-services for low-income students. SRU is one of only three sites in Pennsylvania to make a successful bid for funding. This competitive grant makes it possible for low-income parents to be involved in higher education by providing child-care support while they attend college classes... Debra Pincek, assistant to the vice president for student affairs at **SRU**, received an award in the amount of \$14,283 from the U.S. Department of Education for the continuation of the Child Care Access Means Parents In School (CCAMPIS) program. The funding is for year one of a five-year award totaling \$57,130... Wendy Leteria, SGA/Cooperating Activities, received a grant in the amount of \$186,184 from the Pennsylvania Department of Education through Lifesteps, Inc. to conduct a Pre-K Counts program at the daycare center. This is for year one of a five-year grant... Robert Arnhold, professor of physical and health education at **Slippery Rock**, received a grant in the amount of \$250,000 from the U.S. Department of Education for the continuation of the Highly Qualified Adapted Physical Education Teachers In Pennsylvania program. This is for year two of a five-year grant totaling \$1,250,000.

In recognition of outstanding performance, the Department of Defense is expanding **West Chester University's** Troops to Teachers Program to serve the entire northeast U.S. Formerly, the program served just Pennsylvania and New York. Troops to Teachers helps members of the military who are leaving service to attain teacher certification and find teaching positions. The university will receive a \$400,000 grant to support the program expansion...**WCU** received a grant commitment of \$100,000 from the Newcombe Foundation to match a \$100,000 gift commitment from **WCU** alumnus Martha McIlvain and her husband Donald. The funds will create a scholarship endowment for adult women students... **WCU** dedicated its renovated planetarium on October 3, which was funded by a lead gift of \$250,000 from **WCU** alumnus and former faculty member Dr. Sandra Mather.

University and Community Partnerships

Clarion and Edinboro Universities have begun a collaborative effort to bring workforce training and curricula to dislocated and underemployed workers. With no community college presence in Pennsylvania's northwest region, which includes the counties of Erie, Crawford, Mercer, Venango, Clarion, Forest, Warren, Jefferson, Elk, and McKean, the two universities have taken a leadership role in workforce development in this area. The intent of the program is to expand and coordinate the existing academic and support services across both campuses and to introduce a newly designed *Northwestern Pennsylvania Career Pathways Project* to meet the educational and skill-building needs of dislocated and underemployed workers and others seeking educational opportunities for career advancement.

State Representative Rosemary M. Brown (R –189th District) became **East Stroudsburg University's** 2013 Legislative Fellow in September. ESU's Legislative Fellow Program was established in 1999 to invite a different Pennsylvania state legislator every year to participate in ESU campus and student life on a variety of levels. The fellows meet formally and informally with students, faculty and staff throughout the academic year.

Student, Faculty and Staff Recognition

Bloomsburg University of Pennsylvania history professor Jeanette Keith recently appeared on The Learning Channel's *Who Do You Think You Are?* assisting actor Jim Parsons, one of the stars of *The Big Bang Theory*, discover his family roots... Sarah Hay, a junior environmental biology major at **Bloomsburg University**, spent the summer doing research above the Arctic Circle. Hay, of Havertown, was part of a National Science Foundation-funded Research Experience for Undergraduates program based at the University of Alaska Fairbanks.

Dr. Mark Tebbitt, of **California University of Pennsylvania's** Department of Biological and Environmental Sciences, received the 2013 Rudolf Ziesenhenné Award for Excellence in Editorial Leadership from the American Begonia Society. Tebbitt has discovered five entirely new species of tuberous begonias, plus four natural hybrids of the flowering plants, during botanical fieldwork in central Bolivia that was sponsored by a grant from the society... The Sigma Tau Gamma Board of Directors has named Joy Helsel '83 the inaugural recipient of the Distinguished Interfraternal Leadership Award. The campus Greek adviser to Sigma Tau Gamma's Beta Iota Chapter at **California University**, Helsel is employed by the Student Association Inc. at Cal U as director of fraternity and sorority life. She also oversees production of the Monocal yearbook and other special publications.

East Stroudsburg University students Jonathan Weber and Justin Moore were selected to participate in a U.S. Cyber Challenge (USCC) Summer Cyber Camp this year. Weber was awarded a full scholarship to attend the Eastern Regional Camp on the campus of Virginia Tech in June; Moore attended the Western Regional Camp at San Jose State University in August. To qualify for the camp, participants had to complete a nationwide online hacking challenge called the U.S. Cyber Quest, offered through USCC and open to all students across America. The online competition drew over

1,000 participants from approximately 400 schools nationwide. Weber scored 100% on the challenge... Three 2013 graduates of **ESU** received a prestigious scholarship from the Ministry of Education in Spain to serve as ambassadors of the North American language and culture. The students, Sara Czyz and Stacey Gray of Philadelphia and Daniel Rosenberg of East Windsor, N.J., will teach English to K-12 students in Spain through May 31, 2014.

Dennis Hickey, associate professor in **Edinboro University's** History, Anthropology & World Languages Department, participated in a 10-day seminar titled "21st Century Megacities and Villages" in India during the summer break. The trip took Hickey to Mumbai, the most populous city in India and the fourth most populous city in the world. He participated in seminars on an array of topics related to life in megacities such as Mumbai.

Loretta Bilder, a student in **Indiana University of Pennsylvania's** nursing Ph.D. program, was one of five doctoral nursing students from across the country to be selected as a National League for Nursing Jonas Scholar. Bilder of West Pittston is an assistant professor of nursing at Wilkes University in Wilkes-Barre. She is nationally certified as a women's health nurse practitioner and volunteers her time to care for medically underserved women of all ages... **IUP** English professor Claude Mark Hurlbert was selected for the list of top university professors on RateMyProfessors.com. Hurlbert is eighth in the rankings. RateMyProfessors.com is the largest website for rating professors, which is done entirely by students. The site includes professors from more than 7,500 schools.

The **Kutztown University** Electronic Media Department was awarded a Mid Atlantic regional Emmy for its documentary on Eastern State Penitentiary. KU had garnered four nominations from the National Academy of Television Arts and Sciences (NATAS) last month. KU swept the Arts, Entertainment and Public Affairs category of College and University Productions.

Peggy Dettwiler, professor of music and director of choral activities at **Mansfield University**, achieved second place nationally in the choral division of The American Prize 2013 conducting competition. Dettwiler was selected from applications reviewed this summer from all across the U.S. The American Prize is a series of new, non-profit, competitions unique in scope and structure, designed to recognize and reward the best performing artists, ensembles and composers in the U.S. based on submitted recordings.

Linford Ranck, a **Millersville University** senior history major with a concentration in modern European history and a minor in German, received the German Academic Exchange Service Undergraduate Scholarship. He will be studying at Johannes Gutenberg University in Mainz, Germany, this school year... Dr. Saulius Sužiedėlis, a retired **Millersville University** history professor, was selected to receive an international honorary doctorate from Vytautas Magnus University (VMU) in Kaunas, Lithuania. Sužiedėlis, who taught at Millersville from 1990-2010, is one of only 80 distinguished people who have been awarded the honorary doctor's or honorary professor's degrees since VMU's establishment in 1922.

Dr. Scott A. Drzyzga, associate professor of geography-earth science at **Shippensburg University**, was selected for and participated in Google's first Geo for Higher Ed Summit in July. The summit brought together 75 instructors and researchers in GIS, GPS, and remote sensing from higher education institutions around the world at the Googleplex in Mountain View, Calif., and focused on learning and testing new tools for collecting, hosting, analyzing, visualizing, and publishing map data... Dr. Sally Paulson, associate professor of exercise science at **Shippensburg University** has been selected to serve as a member of the National Strength and Conditioning Association's Women's Committee... Dr. Philip Henry, director of counseling services, was notified that he will be re-appointed for a second three-year term as a member of the board of International Association of Counseling Services Inc.

Joanne Leight, **Slippery Rock University** associate professor of physical education, was one of only 50 educators from around the world to be accepted to the Google Teacher Academy in Chicago. Leight

is now a Google Certified Teacher... Jessamine Montero-Michaels, senior officer for diversity and inclusion and special assistant to the president at **Slippery Rock University**, recently received a national Multicultural Leadership Award at the National Diversity and Leadership Conference hosted by Indiana University of Pennsylvania.

West Chester University senior music education major Ashley Vitale, who studies with artist faculty member, Dr. Stephen Ng, originally from Hong Kong, recently won the Grand Prize of Empire City's Luck Break Karaoke Competition, in New York City, winning a cash prize of \$25,000 and a trip to Los Angeles to audition for several recording labels.

Comments by Steve Hicks, APSCUF President

Thank you for the opportunity to speak.

I want to welcome Chancellor Brogan.

Clearly, I want to talk about the financial issues confronting the universities and the questions about what kind of System we are supposed to be.

It is easy for people to claim faculty compensation is a reason for the financial difficulties facing the 14 universities. Yet a tabulation of the amount of budgets spent on faculty compensation would show that 10 of the 14 have lowered the percentage of their budget spent on faculty compensation -- benefits and salaries -- over the last five years. What may also surprise you is that the four universities that have seen that percentage grow, even the small amount they've grown, include Bloomsburg, West Chester, and Lock Haven -- those deemed recently as the most financially solvent.

Instead, one cause of the financial problems faced by numerous institutions is borrowing. The amount of money borrowed by the System, which is to say its component universities, has grown 250% in the last decade, a trend that Moody's has noted and indicated is a drag on the system's bond rating. With every university putting in a budget today that shows double digit millions in the red for 2014-2015, it seems unconscionable for universities to take on more debt. You say it's a different pot of money, but I can point to almost every president there and they can provide an example from their campus where they are covering large sums of payments for bonds that some other entity was supposed to be paying but hasn't met their obligations. If the university signs off, and it's the university's bond rating that determines the bond interest rate, in the end the university has to make sure payments are made.

These questions of finances lead to questions of the efficiencies of our universities. No doubt we all understand that it would be good for the Commonwealth if we graduated more STEM majors; however, that goal seems to be counterintuitive when you look at multiple universities, like Edinboro and Clarion, who are planning on doing away with science labs and science majors. Shouldn't we be investing in these programs, not killing them?

I keep hearing we need to be more attune to the job needs of the Commonwealth. What job needs? At the Governor's postsecondary education commission, all I heard was that we need more welders; there are plenty of vo-techs and community colleges in the state to do that, it's not our mission. In fact, until recently, every one of our universities' mission statements said our mission was to teach the liberal arts -- and I know the word liberal is terribly pejorative these days -- to create a civic minded citizenry, and to add to the community.

We live in an era where job holders change careers three to five times. In fact, in what used to be our largest degree, secondary education, studies used to show that one in three left teaching in their first three years. Amazingly, that rather large number of job-

seekers doesn't seem to be unemployed -- in fact, I've heard employers talk about the skills and training teachers have and the need for it in their businesses: organizational skills, group working skills, critical thinking skills, time management skills. It is the epitome of why we should not get too caught up in the "training for today" because it turns out only those kinds of skills are what last in the job market.

No doubt we are facing challenging times, with a state appropriation that hasn't kept up the state's commitment to higher education, with a shrinking high school graduating class, with the cost of our education stressing our market's pocketbook, but there are ways to move forward without leaving us unable to provide quality education in the near future. Let's manage wisely and manage to make sure the Commonwealth has enough four-year graduates in its future.

Comments by Ken Mash, APSCUF Vice President

Mr. Chairman, Governors, Chancellor Brogan, my name is Ken Mash, and I am a political science professor at East Stroudsburg University. And while I always take pride in the students, faculty, and coaches at my great university, I am speaking today as the vice president of APSCUF.

Yesterday APSCUF held its Lobby Day. It was a successful day in which our organization asked our elected representatives to restore funding to our universities for the sake of our students and the future of the Commonwealth.

At one of our meetings yesterday a legislator offered this advice to one of our interns who is interested in a career in politics. She said, "make it your practice to tell the truth, do not just tell people what they want to hear." I hope our intern takes that seriously because I do.

And so, Chancellor Brogan and members of the Board, in that spirit, I offer you these "truths" as we, the faculty who spend our lives pursuing the truth, see it.

The truth is that our System is made up of fourteen great universities that have done an excellent job educating our students. To the degree that our universities are suffering financially, it is not because our institutions have failed to deliver on the System's charge to provide a high quality education. We have.

The truth is that our universities are suffering primarily because they have been deprived of state funding. Enrollment is falling, true. But that is not because of our universities; it is because of demographics. Our enrollments have not fallen over the long term; they have merely returned to the levels they were at before the bubble of high school graduates, and at a level at which our universities succeeded in the past.

The truth is that this enrollment decline is not the cause of our financial concerns. The financial problems facing virtually every one of our universities is because the Commonwealth's funding over the last decade has been soft and in recent years it has been cruel. Additional tuition money from that bubble postponed the full impact of the cut; it no longer can.

The truth is that our System's leaders have not advocated fully for the adequate funding our students deserve and for the levels necessary to sustain a vibrant society and workforce in this Commonwealth. Even at legislative hearings, our leaders have not fully told legislators about the pain being endured.

The truth is that firing faculty does nothing for our universities. Firing faculty sends the wrong message to the public and does not do service to our students. Jargon and rhetoric aside, the truth is that larger classes, fewer majors, and fewer course offerings do not benefit our students, and telling them otherwise turns us all into the worst kind of used car salespersons.

The truth is that firing faculty will hurt enrollments and retention further because telling future students and the world we are sick does nothing to help that problem.

The truth is that academics is our core mission. Before any striking at our core mission the operation in Harrisburg and our universities should be as absolutely lean as they possibly can be, and hiring additional administrators and building new buildings while doing damage to the classroom is not good stewardship.

The truth is that in study after study, employers say that they want to hire graduates who are well rounded, know about the world, can think critically, and communicate with others.

The truth is that employers and graduate students like music, philosophy, English, language, and other majors in the humanities and the sciences because that is what they deliver. To the degree we play to misperceptions and cut these programs and do not dispel myths, we hurt our students and the Commonwealth.

The truth is that when this Board leaves budget gaps in the dozens of millions, does not advocate on behalf of the universities for funding and hurts academics, and otherwise strikes at the core of our universities, it does no student any favor.

The truth is that our students are paying more, and they are on the verge of receiving much less. We need our full funding restored. We need to be wise about our priorities. We need to keep our universities funded.

The truth is, Chancellor Brogan, that we look forward to being partners with you and your staff in righting this ship and in doing what is truly in the best interest of our students and the Commonwealth.

PASSHE Legislative Update October 16, 2013

Bill No.	Sponsor	Bill Summary	Bill Status
Child Protective Services			
HB 431	Gingrich	Amends Title 23 (Domestic Relations), in child protective services, further providing for education and training.	Passed the House. 05-06-13 Received in the Senate and referred to Senate Consumer Protection and Professional Licensure
HB 434	Maloney	Amends Title 23 (Domestic Relations), in child protective services, for establishment of pending complaint file, Statewide central register and file of unfounded reports; and for background checks for employment in schools.	Passed the House. 06-24-13 Received in the Senate and referred to Senate Aging and Youth
HB 435	Moul	Amends Title 23 (Domestic Relations), in child protective services, for definitions, prospective child-care personnel, family day care home residents and contact with children; and grounds for denying; and certification compliance.	Passed the House. 06-28-13 Received in the Senate and referred to Senate Public Health and Welfare
HB 436	Stephens	Amends Title 23 (Domestic Relations), in child protective services, providing for definitions and persons to reports; for specific persons and required report and posting of signs; and penalties for failure to report or refer.	Passed the House. 06-28-13 Received in the Senate and referred to Senate Aging and Youth
Criminal Background Checks			
HB 274	Baker	Act providing for college and university faculty and staff criminal history background investigations and self-disclosure requirements.	01-23-13 Introduced and referred to House Education Committee
Pensions			
HB 242	Petri	Amends Title 71 (State Government), in retirement for State employees and officers, further providing for definitions and for mandatory and optional membership; and providing for the State Employees' Optional Retirement Program.	04-16-13 Public hearing held in House State Government Committee
HB 356	Reed	Amends Title 71 (State Government), in retirement for State employees and officers, defining "campus police officer"; and further defining "superannuation age."	01-29-13 Introduced and referred to House State Government Committee
HB 1350	Ross	Amends Titles 24 (Education), 51 (Military Affairs), and 71 (State Government) extensively revising pension provisions: for PSERS and SERS defined contributions and providing for applicability, funding, liability and legal challenge.	06-19-13 Public hearing held in House State Government Committee
HB 1352	Kempf	Amends Titles 24 (Education) and 51 (Military Affairs) further providing for definitions; retirement membership; contributions and benefits; PSERS retirement fund; health insurance; payments to school entities; and military leave.	10-01-13 Set on the Tabled Calendar
SB 2	Browne	Amends Title 71 (State Government) providing for the unified retirement system for employees of the Commonwealth and school districts.	02-20-13 Discussed at Treasury Department budget hearing; Senate Appropriations Committee

SB 922	Brubaker	Amends Titles 24 (Education), 51 (Military Affairs), and 71 (State Government) extensively revising provisions: for PSERS, contributions and benefits; military leave of absence; for SERS, contributions and benefits, and liability.	06-27-13 Meeting cancelled for 06-27-13; Senate Appropriations Committee
Public Safety			
HB 28	Marsico	Amends Title 42 (Judiciary) further providing for definitions; and providing for nonmunicipal police extraterritorial jurisdiction for purposes of municipal police jurisdiction.	10-01-03 Set on the House Calendar
HC02002	Gibbons	Expands the territorial limits of the primary jurisdiction for PASSHE campus police officers to include within 500 yards of the grounds of the institution.	06-07-13 Filed
Prevailing Wage Act			
HB 63	Keller	Amends the Pennsylvania Prevailing Wage Act raising the threshold for applicability.	02-04-13 Introduced and referred to House Labor and Industry Committee
HB 590	Baker	Amends the Pennsylvania Prevailing Wage Act further providing for the definition of "public work."	02-08-13 Introduced and referred to House Labor and Industry Committee
HB 662	Milne	Amends the Pennsylvania Prevailing Wage Act further providing for definitions.	02-11-13 Introduced and referred to House Labor and Industry Committee
HB 664	Marsico	Amends the Pennsylvania Prevailing Wage Act excluding political subdivisions from the act; and authorizing optional prevailing wage ordinances.	02-12-13 Introduced and referred to House Labor and Industry Committee
HB 665	Marsico	Amends the Pennsylvania Prevailing Wage Act further providing for definitions and for specifications; and providing for protection of workmen.	10-01-13 Set on the House Calendar
HB 666	Marsico	Amends the Pennsylvania Prevailing Wage Act further providing for definitions; providing for referendum for prevailing wage rates, for subsequent public referenda and for election interference prohibited; and making related repeals.	02-12-13 Introduced and referred to House Labor and Industry Committee
HB 796	Millard	Amends the Pennsylvania Prevailing Wage Act raising the threshold for applicability; further providing for specifications; and providing for protection of workmen.	10-01-13 Set on the House Calendar
HB 1257	Marsico	Amends the Pennsylvania Prevailing Wage Act further providing for definitions.	04-29-13 Introduced and referred to House Labor and Industry Committee
HB 1304	Denlinger	Act repealing the Pennsylvania Prevailing Wage Act.	05-01-13 Introduced and referred to House Labor and Industry Committee
SB 272	Smucker	Amends the Pennsylvania Prevailing Wage Act further defining "public work."	01-18-13 S Introduced and referred to Senate Labor and Industry Committee
Right-to-Know Law			
HB 61	Benninghoff	Amends the Right-to-Know Law, in preliminary provisions, further providing for definitions.	10-01-13 Set on the House Calendar
HB 1087	Adolph	Amends Right-to-Know Law further providing for definitions, for written requests and for fee limitations.	09-25-13 Informational meeting held by House State Government Committee

SB 408	Dinniman	Amends Title 65 (Public Officers), in ethics standards and financial disclosure, further providing for definitions and adding a definition of "State-related institution and its affiliates."	06-26-13 Discussed at Senate Democrats press conference
SB 410	Dinniman	Amends the act entitled "an act to reorganize the Board of Trustees of Pennsylvania State University," further providing for title and members of the Board; and providing for quorum and lifetime service limitation.	06-26-13 Discussed at Senate Democrats press conference
SB 1027	Dinniman	Amends the Right-to-Know Law further providing for definitions and for exceptions for public records.	06-17-13 Introduced and referred to Senate State Government Committee
Veterans			
HB 472	Barrar	Amends Act conferring limited residency to military personnel; further providing for attendance at State-related and State-owned institutions of higher learning and community colleges.	Passed the House. 04-16-13 Received in the Senate and referred to Senate Education Committee
HB 841	Painter	Amends Title 51 (Military Affairs) providing for Combat-to-College Program.	03-11-13 Introduced and referred to House Veterans Affairs and Emergency Preparedness Committee
HB1164	Murt	Act providing for veteran students to receive a course scheduling preference at public institutions of higher education.	Passed the House. 06-10-13 Received in the Senate and referred to Senate Education Committee
HB 1353	Kampf	Amends Titles 51 (Military Affairs) and 71 (State Government) further providing for military leaves of absence; providing for State Employees' Defined Contribution Plan, further providing for contributions, benefits, service, and funds.	10-01-13 House Set on the Tabled Calendar
HB 1460	Gillen	Amends Title 51 (Military Affairs) further providing for educational leave of absence.	Passed the House. 07-19-13 Received in the Senate and referred to Senate Education Committee
SB 373	Baker	Amends Title 51 (Military Affairs) further providing for tuition waiver for children and spouses of deceased soldiers.	05-07-13 Senate Referred to Senate Appropriations Committee
SB 797	Browne	Amends Titles 24 (Education) and 51 (Military Affairs) further providing for the calculation of military members' Public School Employees Retirement System Benefits.	07-01-13 G Approved by the Governor (Act: 32)
SB 1004	Baker	Act providing for duties of certain institutions of higher education relating to services for veterans and for the powers and duties of the Department of Education.	06-24-13 Introduced and referred to Senate Education Committee
Other			
HB 674	Boyle	Amends the Public School Code providing for in-state tuition rate for undocumented individuals.	02-12-13 Introduced and referred to House Education Committee
HB 975	Roebuck	Act making an appropriation to the Pennsylvania Department of Education to promote activities and services to increase the preparation, enrollment and success of low-income students in postsecondary education.	03-12-13 Introduced and referred to House Appropriations Committee

HB 1031	Marshall	Act establishing the Pennsylvania Community College Affordability Task Force within the Department of Education; and providing for its powers and duties and for administrative support.	10-01-13 Set on the Tabled Calendar
HB 1264	Kavulich	Act providing for notification in connection with purchase, consumption, possession and transportation of alcoholic beverages by certain students enrolled in institutions of higher education, for enforcement and for civil penalty.	04-30-13 Introduced and referred to House Liquor Control Committee
HB 1623	Emrick	Amends the Public School Code further providing for evaluation of applications for certification.	07-17-13 Introduced and referred to House Education Committee
HR 53	Day	Resolution establishing a select committee to investigate and make recommendations concerning safety and security in public and nonpublic schools and institutions of higher education.	Report pending
SB 232	Dinniman	Amends Public School Code further providing for Transfer and Articulation Oversight Committee.	03-20-13 Introduced and referred to Senate Education Committee
SB 713	Smucker	Amends Public School Code providing for in-state tuition for undocumented individuals.	05-15-13 Public hearing held in Senate Education Committee. PASSHE provided testimony at hearing.
SB 1000	Scarnati	Amends the Public School Code providing for rural regional community college pilot program for underserved counties.	10-02-13 Public Hearing; Senate Education
SB 1026	Dinniman	Act making appropriation to the Department of Education to promote activities and services to increase the preparation, enrollment and success of low-income students in postsecondary education.	06-17-13 Introduced and referred to Senate Education Committee

White: No action

Blue: Action in one chamber

Yellow: Final passage



Shippensburg University of Pennsylvania



**Pennsylvania State System of Higher Education
Funding Review Task Force Overview**
October 16, 2013

1. Purpose

The Pennsylvania State System of Higher Education (PASSHE) is required by statute to distribute state appropriations to the universities through a formula. Board of Governors' Policy 1984-06-A: *Allocation Formula*, requires a periodic review of the allocation formula "to address changing conditions." The allocation formula was last reviewed in 2007. The following realities denote changing conditions that warrant a comprehensive review of the System's allocation formula, pricing policies and practices, and integration of performance funding.

- The fiscal year 2013/14 Educational and General (E&G) appropriation distribution to the 14 PASSHE universities generated the greatest shift in funding among institutions (ranging from a 5.4% decrease to 4.4% increase) that has been experienced since the allocation formula was last modified in 2007.
- At \$412.8 million, PASSHE's 2013/14 E&G appropriation is less than the System received in 1997/98. State appropriations have shrunk from 41% of PASSHE's E&G budget when the formula was created, to 26% of today's budget.
- As students generate a larger share of each university's revenue today, pricing flexibility is becoming a more important tool for PASSHE universities to be able to offer a high quality array of educational opportunities at an affordable price to Pennsylvania students.
- Calls for increased accountability among colleges and universities have come from various sources across the nation, including Governor Tom Corbett's Advisory Commission on Postsecondary Education. PASSHE, having introduced performance funding in 2000/01, continues to be one of the few public university systems in the nation to voluntarily implement this type of performance program. PASSHE's commitment to accountability and performance funding must be the cornerstone for PASSHE's funding structure.

2. Objectives

To study PASSHE's current funding and pricing practices, and those of other systems and institutions of higher education.

To seek input from Board of Governors members and System and university leaders on their perceptions of the current formula's strengths and weaknesses, as well as values and principles that should be exemplified in PASSHE's distribution of resources and pricing practices.

To develop technical funding solutions for the equitable distribution of resources and enhancements to pricing flexibility that meet the principles and values articulated by PASSHE's leadership.

To recommend changes to (1) the methodology by which PASSHE allocates state appropriations to the universities, and (2) pricing policies and practices.

To provide input to PASSHE leadership for the overall implementation of proposed recommendations resulting from the study.

3. Powers and Duties

The task force is advisory to the Board of Governors through the chancellor. The task force members will also assist in communications about this project with the Council of Presidents and with their respective university leadership and functional colleagues within PASSHE.

4. Composition

The task force membership should be as follows.

- Project Lead, Vice Chancellor for Administration and Finance
- Presidential Liaison to the Finance, Administration, and Facilities Committee of the Board of Governors
- President from a large university
- President from a small university
- Provost from a large university
- Faculty member from a small university
- Two fiscal and administrative vice presidents from midsize universities
- Office of the Chancellor staff

5. Timeline

October 30, 2013—Task force is established.

November 2013—Finance, Administration, and Facilities Committee of the Board of Governors will review the existing allocation formula.

November to December 2013—Board of Governors is surveyed regarding principles and objectives to be met through funding allocations and pricing practices.

January 2014—Finance, Administration, and Facilities Committee is updated on the task force's progress.

April 2014—Finance, Administration, and Facilities Committee is updated on the task force's progress.

June 2014—A Finance, Administration, and Facilities Committee workshop is held to review the task force's preliminary recommendations.

July 2014—Task force's final recommendations are presented to the Finance, Administration, and Facilities Committee.

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

Act 188 of 1982 requires PASSHE's budget request to be developed based upon university needs. PASSHE universities were provided with instructions to develop their 2014/15 Educational and General (E&G) budget requests, which include anticipated changes in salaries, benefits, and other cost categories. E&G budgets support ongoing general academic, administrative, and physical operations; restricted (sponsored programs and most financial aid) and auxiliary (dining, housing, recreation, and student centers) activities are excluded. Universities provide budget estimates for the current year (2013/14) and request year (2014/15).

University budgets vary from one another due to the unique nature of each university's enrollment, employee complement, instructional offerings, physical plant, and strategic direction. Expenditure estimates and projections for university-based revenue sources are used to determine PASSHE's budget request parameters. Below are explanations of the enrollment, revenue, and expenditure expectations for PASSHE universities and the Office of the Chancellor for 2013/14 and 2014/15, as submitted by the universities in mid-September and reviewed by the Office of the Chancellor. A summary for each entity is provided in the following pages.

Enrollment Trends

While state appropriations are a diminishing portion of PASSHE's revenue, most PASSHE universities are experiencing enrollment declines with a corresponding adverse effect on tuition and fee revenues. The overall anticipated 2013/14 reduction of almost 2,400 annualized FTE students, or 2.2%, is consistent with preliminary fall 2013 enrollment statistics. For some PASSHE universities this represents the fourth straight year of enrollment decline. Nine universities anticipate no growth or additional reductions in enrollment for fiscal year 2014/15, resulting in a continued overall enrollment decrease of an additional 0.7%. In 2009/10, PASSHE's enrollment peaked at approximately 112,000 FTE, but has since declined by over 8,000 FTE students, or 7.2%, to the anticipated 2014/15 enrollment of approximately 103,000.

The declining number of high school graduates is a contributing factor. Similar demographic trends are occurring nationally as other states, especially in the northeast, are experiencing modest declines in high school graduates associated with the Baby Boom Echo.¹ In addition, changes in state and local policies regarding advanced degrees for teachers contributed to an overall one-year decline of 5.0% in graduate enrollment, or 17.6%, since 2010/11.

University-specific FTE enrollment projections vary significantly, with the 2013/14 one-year change ranging from a 6.6% decrease at Edinboro University to a 2.0% increase at West Chester University. Since 2010/11, enrollment changes range from a 15.6% decline at Clarion to a 9.2% increase at West Chester. Enrollment estimates for 2014/15 range from a 4.7% decrease at Slippery Rock to a 2.0% increase at Kutztown.

¹ *Knocking at the College Door*, Western Interstate Commission of Higher Education, December 2012
Board of Governors' October 17, 2013 Minutes – Page 31

Budget Realignment

In the midst of declining enrollment, PASSHE's expenditure requirements continue to rise. PASSHE's emphasis continues to be on addressing the structural gap between revenues and expenses through strategic changes to its business models to ensure financial sustainability. Universities began fiscal year 2013/14 by addressing a System-wide budgetary gap of almost \$50 million, resulting from mandatory cost increases that exceeded available revenue.

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

Universities have incorporated these structural adjustments in their budgets in different ways, as they are at various stages in their planning processes. In most cases, universities have reflected a use of Carryforward in 2013/14 as a one-time funding source while plans are being finalized for structural realignment. Some universities continue to show a similar use of Carryforward as a placeholder in 2014/15; others reflect a corresponding reduction in compensation as they anticipate reductions in work force.

Fiscal Year 2013/14 Highlights Revenue/Sources

Tuition—The Board of Governors approved a 3.0% tuition rate increase for fiscal year 2013/14. The 2013/14 tuition revenue projections reflect the combined effect of tuition rate increases and declining enrollment at all but three PASSHE universities, as highlighted above. System-wide, tuition revenue is expected to increase \$4.9 million or 0.6%, ranging from a 4.4% reduction at Edinboro University to a 3.9% increase at West Chester University.

Fees—The universities' councils of trustees set institution-based student fee rates. Student fees include mandatory fees charged to all students, such as instructional support fees and health center fees, as well as optional fees charged to students for specific services or privileges, such as parking fees. Also included in this revenue category is the Technology Tuition Fee, set by the Board of Governors, which is expected to generate \$43.1 million in revenue for instructional technology purposes. Fee revenue reflects the combined impact of rate adjustments and enrollment changes. University mandatory fee rates increased on average 3.2%, ranging from no change at Cheyney University to a 10.8% increase at Indiana University.

State Appropriation—PASSHE's 2013/14 E&G appropriation of \$412.8 million represents level funding from the prior year. The state appropriation is allocated to universities through two methods: approximately \$37 million is distributed based upon performance; the remaining is distributed through PASSHE's allocation formula, which is highly enrollment driven. The 2013/14 university change in state appropriations was then capped at 2.0%, as approved by the Board of Governors. Performance funding awards

for 2013/14 have been made and are reflected in each university's state appropriations. State appropriations reflected in 2014/15 are estimated as the same received by each university in 2013/14.

All Other Revenue—Included in this category are unrestricted gifts, contracts, and grants; investment income; educational fees for noncredit activity; parking and library fines; corrections from prior years; and other miscellaneous revenue sources. Activities generating these revenues vary widely by university and tend to be nonrecurring. Most universities do not anticipate increases and/or continuation of certain miscellaneous revenue sources until these revenues are received, but also limit expenditures supported by these specific revenue streams in their budget estimates.

Use of Carryforward—From time to time, some universities may have the opportunity, either through greater than anticipated enrollment/revenue growth or through disciplined multiyear planning, to set aside revenues for future year activities. This is represented by a negative number in Use of Carryforward. When a university is using funds carried forward from a previous year, a positive number will appear on this line. This practice is a management tool allowing universities to anticipate and fund large one-time purchases and multiyear projects. Typical initiatives funded in this manner include new academic programs, major equipment purchases and upgrades, facilities improvements, and transitions through demographic changes. Since Carryforward funds are one-time in nature, a corresponding one-time expenditure is associated with the use of these funds. Most universities reflect a use of Carryforward funds in 2013/14 either to partially fund ongoing expenses as a transitional tool, while implementing multiyear realignments, or for specific capital projects and new academic initiatives.

Expenditures/Transfers

Compensation—Currently, PASSHE employs over 540 fewer permanent employees than in fall 2008. Given the continuing budget challenges, most positions vacated during 2012/13 were either frozen or eliminated. As a result, most PASSHE universities are planning to fill only certain key positions in 2013/14, with a net increase in funded positions at five universities. Even with these limited complement increases, in total there are 63 fewer E&G FTE positions budgeted in 2013/14 than in the prior year.

Part of this overall decrease in complement is the result of PASSHE's collective bargaining agreements with the Association of Pennsylvania State College and University Faculties (APSCUF)—for both faculty and coaches—which included a voluntary retirement incentive program (VRIP) effective toward the end of 2012/13. A total of 135 faculty and coaches took part in this program, resulting in a reduction of permanent faculty in 2013/14. The replacement of these employees is incorporated in the multiyear realignment and work force plans developed by the universities.

For 88% of PASSHE's employees, compensation rates are specified within eight different collective bargaining agreements. Employee benefits allow multiple choices for health care and retirement programs. Each university's mix of employees among bargaining units, the benefits choices they make, and their years of service result in varying increases in personnel costs. Universities budget compensation expenses based upon anticipated filled positions, taking into consideration retirements, vacancies, and regular annual turnover in employee complement.

Salaries and Wages—Fiscal year 2013/14 represents the third year of contracts with most bargaining units and incorporates various combinations of increment and general pay increases, including the residual impact of midyear pay increases from fiscal year 2012/13. The 2013/14 fiscal impact of these increases by bargaining unit ranges from 1.8% to 4.3%. Coupled with these compensation increases are changes to university-budgeted complement resulting from VRIP, enrollment changes, accreditation requirements, and efficiency and productivity concerns. These combined changes in complement and compensation result in an average salary and wage increase of 2.3%.

Benefits—The vast majority of PASSHE's employees are enrolled in either the System's PPO health care plan or the Commonwealth's Pennsylvania Employees Benefit Trust Fund (PEBTF) program for health benefits. PASSHE's employer rates for the PPO plan increased 4.8%, while the PEBTF employer rates reflected in the new American Federation of State, County, and Municipal Employees (AFSCME) agreement increased 9.0%. PASSHE's retiree health care rates decreased 4.8%, while the Commonwealth's retiree health care rates increased 15.1%. The most common rates for the State Employees' Retirement System (SERS) and Public School Employees' Retirement System (PSERS), in which almost half of PASSHE employees participate, increased approximately 44% and 37%, respectively. In total, employee benefits expenses are projected to increase 11.6%.

Utilities—Each university's utilities costs vary widely, depending on mix of utilities (gas, coal, oil, electricity), local providers, contractual obligations, usage, energy savings projects, and changes in space. Fiscal year 2012/13 included an unusually mild winter and a corresponding reduction in utilities usage. Fiscal year 2013/14 utilities costs reflect more typical usage levels and a return to normal rate increases since electric deregulation has been fully implemented. In total, utilities are estimated to increase an average of 3.5%.

Services and Supplies—Expenditures in this category support all the day-to-day university operations, including professional services; teaching, office, and custodial supplies; travel; subscriptions and memberships; postage; student aid expenditures; and leases. Costs in several commodity areas were contained through System-wide strategically sourced procurements. In addition, universities routinely purchase products and services under Commonwealth and other governmental contracts to reduce costs. During 2013/14, service and supply expenditures are expected to increase 4.7% on average. Most of these increases are one-time activities associated with designated one-time fund sources; university experiences vary.

Capital Expenditures and Transfers—Capital expenditures and transfers represent PASSHE's investment in its physical resources from the E&G budget. Included in this category are purchases of items, such as equipment, furniture, and library materials, as well as land and building improvements that have a useful life that is depreciated over time. PASSHE budgets these expenditures on a cash basis, rather than budgeting depreciation. University transfers generally fund physical plant expenditures and debt. Some transfers may reflect a commitment for future projects. University capital expenditures and transfers can vary widely from year to year.

Fiscal Year 2014/15 Highlights Revenue/Sources

PASSHE university 2014/15 expenditure estimates and projections for university-based revenue sources are used to determine the System's budget request parameters. The universities are instructed to submit unbalanced budgets for the request year to allow for a candid assessment of resources and expenditure requirements. Only essential cost increases are incorporated in 2014/15 expenditure estimates; universities continue to incorporate reallocations to align their budgets with the strategic direction and today's fiscal realities of limited resources and improved efficiencies. Based upon this review, an appropriation request will be developed. No attempt has been made to balance each university's budget, as they reflect no change in tuition rates or appropriations.

Tuition—Changes in tuition revenue reflect the impact of projected changes in annualized FTE enrollment. PASSHE's total 2014/15 annualized FTE enrollment is anticipated to decrease by almost 800 FTE students, or 0.7%; six universities project enrollment decreases. Changes in student mix (e.g., full-time versus part-time, residency, and student level) also affect tuition estimates for 2014/15. No assumptions are made concerning tuition rate increases at this time.

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

State Appropriation—The 2014/15 state appropriation for each university reflects its current year (2013/14) allocation of the E&G appropriation. Although each university's allocation of the appropriations will change based upon the allocation formula and performance funding results, no adjustments have been made to anticipate the impact of those changes. The state appropriation reflects continued funding of the E&G appropriation at its current level. The Finance, Administration, and Facilities Committee of the Board of Governors will make a recommendation for consideration of an appropriation request that may differ from this appropriation assumption.

All Other Revenue—As in 2013/14, most universities do not anticipate increases and/or continuation of certain miscellaneous revenue sources until these revenues are received. In addition, they limit expenditures supported by these specific revenue streams in their budget estimates.

Use of Carryforward—Typical initiatives funded with Carryforward include new academic programs, major equipment purchases and upgrades, facilities improvements, and transitions through demographic changes. Most universities reflect a Use of Carryforward in 2013/14 to partially fund ongoing expenses as a transitional tool, while implementing multiyear realignments of programs and work force. For most, these plans were under development at the time their budget request documents were submitted. Therefore, some universities reflect a continued reliance on Carryforward in 2014/15 as a placeholder while restructuring decisions are being finalized. Other universities reflect a reduced reliance on Carryforward and corresponding reductions in compensation at an aggregate level, in anticipation of work force reductions.

Expenditures/Transfers

Compensation—In general, universities are anticipating a slight decrease in employee complement in 2014/15. This marks six straight years of overall reductions in budgeted positions in light of ongoing financial challenges and work force planning efforts. Many of these reductions were the result of retirements; 309 employees retired in the 2012 calendar year.

Given the combined impact of the fiscal climate, enrollment reductions, and program relevancy, several universities are in the midst of program realignment and work force planning efforts that may result in eliminating faculty and/or nonfaculty positions over and above the complement changes reflected in this document. As universities are at various stages in this planning process, which requires a multiyear implementation strategy, complement reductions associated with these developing plans typically are excluded from these complement estimates; however, compensation may be reduced to reflect a commitment to reducing labor costs.

Salaries and Wages—Salary increases vary by bargaining unit, based upon the existing agreements. Compensation includes a combination of increment and general pay increases. The 2014/15 fiscal impact of these increases by bargaining unit ranges from 2.3% to 4.5%. Overall, a 3.4% increase in salaries and wages is anticipated, based upon these assumptions.

Benefits—Preliminary health care rate changes for 2014/15 include increases in PASSHE's various health care options of 7.6% for faculty, coaches, and management employees and 2.2% for retirees. The Commonwealth's PEBTF health care rates will increase 7.1% in accordance with the AFSCME contract, while the Commonwealth's health care rates for retirees are anticipated to increase 9.5%. The most common pension contribution rates for SERS and PSERS are projected to increase 32% and 27%, respectively, as specified by the Commonwealth's budget instructions. Retirement rates associated with the alternative retirement programs remain constant, although retirement and social security costs increase as salaries and wages increase. Overall, an 8.8% increase in benefits costs is anticipated based on these rate assumptions and changes in complement. University experiences vary significantly based upon the benefits programs their employees choose and changes in complement.

Utilities—Each university's utilities costs vary, depending on mix of utilities (gas, coal, oil, electricity), local providers, usage, energy savings projects, and changes in space. Utilities cost increases reflect projected rates and continued energy savings initiatives. PASSHE's combined utilities costs are anticipated to increase 1.3%.

Services and Supplies—For 2014/15, universities estimate relatively constant expenditures in services, supplies, and materials, with an overall increase of 1.9%. University experiences vary significantly; fluctuations tend to be associated with those universities that reflect a use of Carryforward for one-time initiatives.

Capital Expenditures and Transfers—Capital expenditures may increase or decrease, depending upon the level of one-time facilities improvements and equipment

purchases in each year. Most universities using Carryforward funds in 2013/14 for investments in specific capital projects show a reduction of capital expenditures and transfers in 2014/15. Most other institutions are continuing their current level of commitment to major physical plant, equipment, and library expenditures into 2014/15. Overall, PASSHE's 2014/15 capital expenditures and transfers are projected to decrease 11.8%, though university experiences vary significantly.

Revenue/Sources Less Expenditures/Transfers—As previously mentioned, universities submit unbalanced budgets for 2014/15. No attempt was made to balance each university's budget, as no assumptions have been made regarding potential changes to appropriations and/or tuition rates. Based upon these submissions, a proposed appropriation request and corresponding tuition rate assumptions will be developed by the Finance, Administration, and Facilities Committee of the Board of Governors at its meeting on October 16, 2013. The shortfall reflected in each university's 2014/15 budget presentation on the following pages reflects each university's funding requirements, given the assumptions discussed in this overview.

Board of Governors Budget Request Summary

Bloomsburg University of Pennsylvania

Educational & General Budget			Percent		Percent
Revenue/Sources	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Tuition	\$76,578,487	\$79,411,636	3.7%	\$79,646,239	0.3%
Fees	14,070,237	15,002,439	6.6%	15,030,743	0.2%
State Appropriation	33,525,055	32,994,559	-1.6%	32,994,559	0.0%
All Other Revenue	4,354,329	4,218,438	-3.1%	4,218,438	0.0%
Use of Carryforward	(1,042,101)	7,169,693	n/a	5,818,763	-18.8%
Total Revenue/Sources	\$127,486,007	\$138,796,765	8.9%	\$137,708,742	-0.8%
Expenditures and Transfers					
Compensation Summary:					
Salaries & Wages	\$66,228,244	\$68,721,315	3.8%	\$72,311,014	5.2%
Benefits	27,830,736	31,828,929	14.4%	35,408,835	11.2%
Subtotal, Compensation	\$94,058,980	\$100,550,244	6.9%	\$107,719,849	7.1%
Utilities	3,079,936	2,992,533	-2.8%	3,110,154	3.9%
Services & Supplies	21,929,116	26,533,514	21.0%	25,589,091	-3.6%
Capital Expenditures & Transfers	8,417,975	8,720,474	3.6%	7,259,698	-16.8%
Total Expenditures and Transfers	\$127,486,007	\$138,796,765	8.9%	\$143,678,792	3.5%
Revenue/Sources Less Expenditures/Transfers					
	\$0	\$0		(\$5,970,050)	

Annualized FTE Enrollment			Percent		Percent
	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Resident Undergraduate	7,758.53	7,893.00	1.7%	7,912.00	0.2%
Nonresident Undergraduate	1,110.63	1,111.00	0.0%	1,116.00	0.5%
Resident Graduate	558.79	510.00	-8.7%	508.00	-0.4%
Nonresident Graduate	90.50	86.00	-5.0%	88.00	2.3%
Total FTE Enrollment	9,518.45	9,600.00	0.9%	9,624.00	0.3%

E&G FTE Employees			Percent		Percent
	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Faculty	498.50	504.75	6.25	504.75	0.00
AFSCME	327.38	326.14	(1.24)	326.14	0.00
Nonrepresented	91.08	99.82	8.74	99.82	0.00
SCUPA	43.00	47.88	4.88	47.88	0.00
All Other	54.64	57.37	2.73	57.37	0.00
Total Budgeted FTE Employees	1,014.60	1,035.96	21.36	1,035.96	0.00

Board of Governors Budget Request Summary

California University of Pennsylvania

Educational & General Budget			Percent		Percent
Revenue/Sources	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Tuition	\$66,156,287	\$65,357,685	-1.2%	\$64,664,358	-1.1%
Fees	11,466,126	11,255,273	-1.8%	11,052,679	-1.8%
State Appropriation	30,478,134	29,751,310	-2.4%	29,751,310	0.0%
All Other Revenue	5,097,279	5,766,031	13.1%	5,781,031	0.3%
Use of Carryforward	(2,360,651)	(1,515,099)	n/a	0	n/a
Total Revenue/Sources	\$110,837,175	\$110,615,200	-0.2%	\$111,249,378	0.6%
Expenditures and Transfers					
Compensation Summary:					
Salaries & Wages	\$54,774,238	\$54,503,814	-0.5%	\$56,603,392	3.9%
Benefits	22,130,510	23,642,840	6.8%	25,640,267	8.4%
Subtotal, Compensation	\$76,904,748	\$78,146,654	1.6%	\$82,243,659	5.2%
Utilities	2,118,643	2,225,000	5.0%	2,314,000	4.0%
Services & Supplies	21,121,285	21,672,121	2.6%	21,672,121	0.0%
Capital Expenditures & Transfers	10,692,499	8,571,425	-19.8%	8,571,425	0.0%
Total Expenditures and Transfers	\$110,837,175	\$110,615,200	-0.2%	\$114,801,205	3.8%
Revenue/Sources Less Expenditures/Transfers					
	\$0	\$0		(\$3,551,827)	

Annualized FTE Enrollment			Percent		Percent
	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Resident Undergraduate	5,608.00	5,446.00	-2.9%	5,266.00	-3.3%
Nonresident Undergraduate	645.00	627.00	-2.8%	606.00	-3.3%
Resident Graduate	1,251.00	1,168.00	-6.6%	1,209.00	3.5%
Nonresident Graduate	593.00	552.00	-6.9%	572.00	3.6%
Total FTE Enrollment	8,097.00	7,793.00	-3.8%	7,653.00	-1.8%

E&G FTE Employees					
	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Faculty	297.00	308.00	11.00	308.00	0.00
AFSCME	214.50	223.50	9.00	223.50	0.00
Nonrepresented	96.50	95.00	(1.50)	95.00	0.00
SCUPA	59.50	61.50	2.00	61.50	0.00
All Other	59.00	57.50	(1.50)	57.50	0.00
Total Budgeted FTE Employees	726.50	745.50	19.00	745.50	0.00

Board of Governors Budget Request Summary

Cheyney University of Pennsylvania

Educational & General Budget			Percent		Percent
Revenue/Sources	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Tuition	\$9,362,120	\$9,573,156	2.3%	\$9,573,156	0.0%
Fees	2,184,697	2,128,108	-2.6%	2,128,108	0.0%
State Appropriation	12,842,370	13,098,158	2.0%	13,098,158	0.0%
All Other Revenue	745,816	387,535	-48.0%	387,537	0.0%
Use of Carryforward	0	0	n/a	0	n/a
Total Revenue/Sources	\$25,135,003	\$25,186,957	0.2%	\$25,186,959	0.0%
Expenditures and Transfers					
Compensation Summary:					
Salaries & Wages	\$13,370,937	\$12,015,194	-10.1%	\$12,511,804	4.1%
Benefits	5,433,838	5,665,766	4.3%	5,899,381	4.1%
Subtotal, Compensation	\$18,804,775	\$17,680,960	-6.0%	\$18,411,185	4.1%
Utilities	836,308	876,367	4.8%	911,422	4.0%
Services & Supplies	6,995,410	5,178,031	-26.0%	6,928,031	33.8%
Capital Expenditures & Transfers	1,426,329	1,451,599	1.8%	1,422,759	-2.0%
Total Expenditures and Transfers	\$28,062,822	\$25,186,957	-10.2%	\$27,673,397	9.9%
Revenue/Sources Less Expenditures/Transfers					
	(\$2,927,819)	\$0		(\$2,486,438)	

Annualized FTE Enrollment			Percent		Percent
	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Resident Undergraduate	958.22	975.80	1.8%	975.80	0.0%
Nonresident Undergraduate	251.73	252.20	0.2%	252.20	0.0%
Resident Graduate	36.38	32.00	-12.0%	32.00	0.0%
Nonresident Graduate	2.00	1.00	-50.0%	1.00	0.0%
Total FTE Enrollment	1,248.33	1,261.00	1.0%	1,261.00	0.0%

E&G FTE Employees			Change		Change
	FY 2012/13	FY 2013/14		FY 2014/15	
Faculty	83.72	79.41	(4.31)	79.41	0.00
AFSCME	64.00	54.90	(9.10)	54.90	0.00
Nonrepresented	38.80	34.80	(4.00)	34.80	0.00
SCUPA	9.50	11.00	1.50	11.00	0.00
All Other	24.49	23.70	(0.79)	23.70	0.00
Total Budgeted FTE Employees	220.51	203.81	(16.70)	203.81	0.00

Board of Governors Budget Request Summary

Clarion University of Pennsylvania

Educational & General Budget			Percent		Percent
Revenue/Sources	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Tuition	\$41,311,182	\$39,682,271	-3.9%	\$40,211,848	1.3%
Fees	12,436,491	12,026,968	-3.3%	12,244,827	1.8%
State Appropriation	22,596,328	22,261,739	-1.5%	22,261,739	0.0%
All Other Revenue	4,124,295	3,888,960	-5.7%	4,022,414	3.4%
Use of Carryforward	3,226,571	8,275,141	156.5%	3,900,000	-52.9%
Total Revenue/Sources	\$83,694,867	\$86,135,079	2.9%	\$82,640,828	-4.1%
Expenditures and Transfers					
Compensation Summary:					
Salaries & Wages	\$44,909,984	\$44,643,126	-0.6%	\$43,631,840	-2.3%
Benefits	18,161,774	19,668,258	8.3%	21,388,497	8.7%
Subtotal, Compensation	\$63,071,758	\$64,311,384	2.0%	\$65,020,337	1.1%
Utilities	1,589,674	1,930,089	21.4%	1,930,089	0.0%
Services & Supplies	16,183,238	17,043,594	5.3%	17,106,779	0.4%
Capital Expenditures & Transfers	2,850,197	2,850,012	0.0%	2,850,012	0.0%
Total Expenditures and Transfers	\$83,694,867	\$86,135,079	2.9%	\$86,907,217	0.9%
Revenue/Sources Less Expenditures/Transfers					
	\$0	\$0		(\$4,266,389)	

Annualized FTE Enrollment			Percent		Percent
	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Resident Undergraduate	4,786.90	4,549.33	-5.0%	4,467.00	-1.8%
Nonresident Undergraduate	287.33	298.07	3.7%	298.52	0.2%
Resident Graduate	462.17	350.83	-24.1%	441.00	25.7%
Nonresident Graduate	233.71	231.84	-0.8%	242.92	4.8%
Total FTE Enrollment	5,770.11	5,430.07	-5.9%	5,449.44	0.4%

E&G FTE Employees			Change		Change
	FY 2012/13	FY 2013/14		FY 2014/15	
Faculty	290.95	264.50	(26.45)	237.84	(26.66)
AFSCME	191.78	188.28	(3.50)	182.85	(5.43)
Nonrepresented	73.15	74.65	1.50	76.65	2.00
SCUPA	21.20	18.80	(2.40)	17.80	(1.00)
All Other	36.90	36.45	(0.45)	35.45	(1.00)
Total Budgeted FTE Employees	613.98	582.68	(31.30)	550.59	(32.09)

Board of Governors Budget Request Summary
East Stroudsburg University of Pennsylvania

Educational & General Budget			Percent		Percent
Revenue/Sources	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Tuition	\$58,708,392	\$59,746,227	1.8%	\$59,912,099	0.3%
Fees	10,474,161	10,490,796	0.2%	10,779,307	2.8%
State Appropriation	20,806,735	21,160,935	1.7%	21,160,935	0.0%
All Other Revenue	4,145,490	4,189,571	1.1%	4,194,712	0.1%
Use of Carryforward	5,150,007	1,710,886	-66.8%	3,253,697	90.2%
Total Revenue/Sources	\$99,284,785	\$97,298,415	-2.0%	\$99,300,750	2.1%
Expenditures and Transfers					
Compensation Summary:					
Salaries & Wages	\$47,667,881	\$48,937,218	2.7%	\$51,125,354	4.5%
Benefits	18,614,992	21,187,438	13.8%	22,925,456	8.2%
Subtotal, Compensation	\$66,282,873	\$70,124,656	5.8%	\$74,050,810	5.6%
Utilities	1,539,932	1,600,438	3.9%	1,662,010	3.8%
Services & Supplies	21,384,785	17,515,516	-18.1%	17,582,231	0.4%
Capital Expenditures & Transfers	10,077,195	8,057,805	-20.0%	9,601,894	19.2%
Total Expenditures and Transfers	\$99,284,785	\$97,298,415	-2.0%	\$102,896,945	5.8%
Revenue/Sources Less Expenditures/Transfers					
	\$0	\$0		(\$3,596,195)	

Annualized FTE Enrollment			Percent		Percent
	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Resident Undergraduate	4,344.08	4,210.76	-3.1%	4,210.76	0.0%
Nonresident Undergraduate	1,490.97	1,451.66	-2.6%	1,451.66	0.0%
Resident Graduate	370.46	366.76	-1.0%	377.76	3.0%
Nonresident Graduate	105.50	104.44	-1.0%	107.58	3.0%
Total FTE Enrollment	6,311.01	6,133.62	-2.8%	6,147.76	0.2%

E&G FTE Employees			Change		Change
	FY 2012/13	FY 2013/14		FY 2014/15	
Faculty	319.12	305.71	(13.41)	315.34	9.63
AFSCME	185.71	188.35	2.64	188.35	0.00
Nonrepresented	86.79	82.25	(4.54)	81.25	(1.00)
SCUPA	29.75	34.65	4.90	34.65	0.00
All Other	36.95	38.95	2.00	38.95	0.00
Total Budgeted FTE Employees	658.32	649.91	(8.41)	658.54	8.63

Board of Governors Budget Request Summary
Edinboro University of Pennsylvania

Educational & General Budget					
Revenue/Sources	FY 2012/13	FY 2013/14	Percent Change	FY 2014/15	Percent Change
Tuition	\$50,390,476	\$48,150,850	-4.4%	\$46,780,680	-2.8%
Fees	10,896,822	10,474,674	-3.9%	10,162,159	-3.0%
State Appropriation	25,571,584	24,963,085	-2.4%	24,963,085	0.0%
All Other Revenue	4,390,742	5,025,105	14.4%	3,505,105	-30.2%
Use of Carryforward	2,437,598	9,267,074	280.2%	8,232,108	-11.2%
Total Revenue/Sources	\$93,687,222	\$97,880,788	4.5%	\$93,643,137	-4.3%
Expenditures and Transfers					
Compensation Summary:					
Salaries & Wages	\$49,723,970	\$50,901,103	2.4%	\$52,369,406	2.9%
Benefits	21,319,073	23,960,956	12.4%	26,172,127	9.2%
Subtotal, Compensation	\$71,043,043	\$74,862,059	5.4%	\$78,541,533	4.9%
Utilities	2,939,962	2,891,675	-1.6%	3,007,342	4.0%
Services & Supplies	15,132,355	15,782,465	4.3%	15,782,465	0.0%
Capital Expenditures & Transfers	4,571,862	4,344,589	-5.0%	2,549,588	-41.3%
Total Expenditures and Transfers	\$93,687,222	\$97,880,788	4.5%	\$99,880,928	2.0%
Revenue/Sources Less Expenditures/Transfers	\$0	\$0		(\$6,237,791)	

Annualized FTE Enrollment					
	FY 2012/13	FY 2013/14	Percent Change	FY 2014/15	Percent Change
Resident Undergraduate	4,857.03	4,705.77	-3.1%	4,613.00	-2.0%
Nonresident Undergraduate	819.42	793.90	-3.1%	779.73	-1.8%
Resident Graduate	911.38	681.70	-25.2%	607.00	-11.0%
Nonresident Graduate	158.79	118.77	-25.2%	109.00	-8.2%
Total FTE Enrollment	6,746.62	6,300.14	-6.6%	6,108.73	-3.0%

E&G FTE Employees					
	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Faculty	385.56	367.43	(18.13)	370.43	3.00
AFSCME	181.00	182.00	1.00	182.00	0.00
Nonrepresented	79.00	76.00	(3.00)	76.00	0.00
SCUPA	26.00	27.00	1.00	27.00	0.00
All Other	40.33	40.25	(0.08)	40.25	0.00
Total Budgeted FTE Employees	711.89	692.68	(19.21)	695.68	3.00

Board of Governors Budget Request Summary

Indiana University of Pennsylvania

Educational & General Budget			Percent		Percent
Revenue/Sources	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Tuition	\$107,690,746	\$107,245,945	-0.4%	\$106,027,749	-1.1%
Fees	32,897,919	33,483,000	1.8%	32,999,800	-1.4%
State Appropriation	52,981,220	52,382,984	-1.1%	52,382,984	0.0%
All Other Revenue	15,241,025	13,673,000	-10.3%	13,490,000	-1.3%
Use of Carryforward	(4,373,101)	11,801,228	n/a	6,967,008	-41.0%
Total Revenue/Sources	\$204,437,809	\$218,586,157	6.9%	\$211,867,541	-3.1%
Expenditures and Transfers					
Compensation Summary:					
Salaries & Wages	\$102,262,755	\$105,302,130	3.0%	\$109,110,657	3.6%
Benefits	43,075,398	45,939,181	6.6%	48,991,472	6.6%
Subtotal, Compensation	\$145,338,153	\$151,241,311	4.1%	\$158,102,129	4.5%
Utilities	5,046,964	5,579,748	10.6%	5,522,938	-1.0%
Services & Supplies	34,583,200	38,804,156	12.2%	39,822,499	2.6%
Capital Expenditures & Transfers	19,469,492	22,960,942	17.9%	15,793,833	-31.2%
Total Expenditures and Transfers	\$204,437,809	\$218,586,157	6.9%	\$219,241,399	0.3%
Revenue/Sources Less Expenditures/Transfers					
	\$0	\$0		(\$7,373,858)	

Annualized FTE Enrollment			Percent		Percent
	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Resident Undergraduate	11,360.99	10,883.83	-4.2%	10,655.27	-2.1%
Nonresident Undergraduate	1,282.10	1,261.90	-1.6%	1,211.91	-4.0%
Resident Graduate	1,141.90	1,105.36	-3.2%	1,106.47	0.1%
Nonresident Graduate	451.95	442.23	-2.2%	443.55	0.3%
Total FTE Enrollment	14,236.94	13,693.32	-3.8%	13,417.20	-2.0%

E&G FTE Employees			Change		Change
	FY 2012/13	FY 2013/14		FY 2014/15	
Faculty	679.10	682.10	3.00	682.10	0.00
AFSCME	390.57	386.57	(4.00)	386.57	0.00
Nonrepresented	163.70	167.70	4.00	167.70	0.00
SCUPA	45.74	46.74	1.00	46.74	0.00
All Other	66.57	64.57	(2.00)	64.57	0.00
Total Budgeted FTE Employees	1,345.68	1,347.68	2.00	1,347.68	0.00

Board of Governors Budget Request Summary

Kutztown University of Pennsylvania

Educational & General Budget			Percent		Percent
Revenue/Sources	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Tuition	\$71,247,491	\$71,051,532	-0.3%	\$72,472,562	2.0%
Fees	12,947,456	12,713,534	-1.8%	12,967,630	2.0%
State Appropriation	33,787,934	33,105,442	-2.0%	33,105,442	0.0%
All Other Revenue	4,367,949	4,349,562	-0.4%	4,396,307	1.1%
Use of Carryforward	(3,074,196)	6,449,000	n/a	6,280,000	-2.6%
Total Revenue/Sources	\$119,276,634	\$127,669,070	7.0%	\$129,221,941	1.2%
Expenditures and Transfers					
Compensation Summary:					
Salaries & Wages	\$60,448,544	\$62,163,102	2.8%	\$64,794,877	4.2%
Benefits	25,093,732	28,755,597	14.6%	31,320,650	8.9%
Subtotal, Compensation	\$85,542,276	\$90,918,699	6.3%	\$96,115,527	5.7%
Utilities	2,603,096	2,745,000	5.5%	2,849,311	3.8%
Services & Supplies	21,264,302	22,203,934	4.4%	24,131,800	8.7%
Capital Expenditures & Transfers	9,866,960	11,801,437	19.6%	9,904,920	-16.1%
Total Expenditures and Transfers	\$119,276,634	\$127,669,070	7.0%	\$133,001,558	4.2%
Revenue/Sources Less Expenditures/Transfers					
	\$0	\$0		(\$3,779,617)	

Annualized FTE Enrollment			Percent		Percent
	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Resident Undergraduate	7,633.30	7,325.68	-4.0%	7,472.09	2.0%
Nonresident Undergraduate	1,015.70	996.98	-1.8%	1,016.72	2.0%
Resident Graduate	428.38	449.07	4.8%	458.05	2.0%
Nonresident Graduate	22.79	21.17	-7.1%	21.60	2.0%
Total FTE Enrollment	9,100.17	8,792.90	-3.4%	8,968.46	2.0%

E&G FTE Employees			Change		Change
	FY 2012/13	FY 2013/14		FY 2014/15	
Faculty	474.58	457.25	(17.33)	457.25	0.00
AFSCME	253.75	255.75	2.00	255.75	0.00
Nonrepresented	119.00	121.00	2.00	121.00	0.00
SCUPA	35.00	35.00	0.00	35.00	0.00
All Other	49.01	49.01	0.00	49.01	0.00
Total Budgeted FTE Employees	931.34	918.01	(13.33)	918.01	0.00

Board of Governors Budget Request Summary
Lock Haven University of Pennsylvania

Educational & General Budget			Percent		Percent
Revenue/Sources	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Tuition	\$39,081,675	\$39,305,654	0.6%	\$39,075,973	-0.6%
Fees	7,311,841	7,590,505	3.8%	7,545,180	-0.6%
State Appropriation	19,571,752	19,963,187	2.0%	19,963,187	0.0%
All Other Revenue	1,866,271	1,517,764	-18.7%	1,517,764	0.0%
Use of Carryforward	(167,271)	560,559	n/a	617,599	10.2%
Total Revenue/Sources	\$67,664,268	\$68,937,669	1.9%	\$68,719,703	-0.3%
Expenditures and Transfers					
Compensation Summary:					
Salaries & Wages	\$34,848,380	\$36,443,642	4.6%	\$37,898,646	4.0%
Benefits	13,865,368	16,569,124	19.5%	18,269,950	10.3%
Subtotal, Compensation	\$48,713,748	\$53,012,766	8.8%	\$56,168,596	6.0%
Utilities	1,265,487	1,558,758	23.2%	1,589,934	2.0%
Services & Supplies	10,815,079	9,512,152	-12.0%	9,683,157	1.8%
Capital Expenditures & Transfers	6,869,954	4,853,993	-29.3%	4,921,935	1.4%
Total Expenditures and Transfers	\$67,664,268	\$68,937,669	1.9%	\$72,363,622	5.0%
Revenue/Sources Less Expenditures/Transfers					
	\$0	\$0		(\$3,643,919)	

Annualized FTE Enrollment			Percent		Percent
	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Resident Undergraduate	4,408.83	4,390.00	-0.4%	4,390.00	0.0%
Nonresident Undergraduate	363.23	298.40	-17.8%	298.40	0.0%
Resident Graduate	336.19	382.20	13.7%	350.00	-8.4%
Nonresident Graduate	76.15	85.20	11.9%	88.00	3.3%
Total FTE Enrollment	5,184.40	5,155.80	-0.6%	5,126.40	-0.6%

E&G FTE Employees			Change		Change
	FY 2012/13	FY 2013/14		FY 2014/15	
Faculty	264.25	256.51	(7.74)	256.51	0.00
AFSCME	161.60	157.30	(4.30)	157.30	0.00
Nonrepresented	50.70	51.06	0.36	51.06	0.00
SCUPA	19.50	18.00	(1.50)	18.00	0.00
All Other	38.80	39.00	0.20	39.00	0.00
Total Budgeted FTE Employees	534.85	521.87	(12.98)	521.87	0.00

Board of Governors Budget Request Summary
Mansfield University of Pennsylvania

Educational & General Budget			Percent		Percent
Revenue/Sources	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Tuition	\$21,849,926	\$21,500,000	-1.6%	\$20,855,000	-3.0%
Fees	3,812,066	3,790,000	-0.6%	3,676,300	-3.0%
State Appropriation	16,949,857	16,702,905	-1.5%	16,702,905	0.0%
All Other Revenue	1,889,359	1,676,000	-11.3%	1,815,100	8.3%
Use of Carryforward	1,048,754	3,786,795	261.1%	0	-100.0%
Total Revenue/Sources	\$45,549,962	\$47,455,700	4.2%	\$43,049,305	-9.3%
Expenditures and Transfers					
Compensation Summary:					
Salaries & Wages	\$25,284,997	\$26,020,905	2.9%	\$24,137,584	-7.2%
Benefits	10,388,653	11,480,795	10.5%	11,576,616	0.8%
Subtotal, Compensation	\$35,673,650	\$37,501,700	5.1%	\$35,714,200	-4.8%
Utilities	986,137	1,035,000	5.0%	1,070,000	3.4%
Services & Supplies	7,306,046	7,269,000	-0.5%	7,430,000	2.2%
Capital Expenditures & Transfers	1,584,129	1,650,000	4.2%	1,650,000	0.0%
Total Expenditures and Transfers	\$45,549,962	\$47,455,700	4.2%	\$45,864,200	-3.4%
Revenue/Sources Less Expenditures/Transfers					
	\$0	\$0		(\$2,814,895)	

Annualized FTE Enrollment			Percent		Percent
	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Resident Undergraduate	2,135.33	2,050.98	-4.0%	1,989.45	-3.0%
Nonresident Undergraduate	542.66	532.51	-1.9%	516.54	-3.0%
Resident Graduate	96.88	74.73	-22.9%	72.49	-3.0%
Nonresident Graduate	51.21	44.80	-12.5%	43.46	-3.0%
Total FTE Enrollment	2,826.08	2,703.03	-4.4%	2,621.94	-3.0%

E&G FTE Employees			Change		Change
	FY 2012/13	FY 2013/14		FY 2014/15	
Faculty	173.00	169.32	(3.68)	168.32	(1.00)
AFSCME	126.86	122.73	(4.13)	120.06	(2.67)
Nonrepresented	50.35	53.09	2.74	53.27	0.18
SCUPA	13.74	15.42	1.68	14.38	(1.04)
All Other	26.00	27.33	1.33	27.33	0.00
Total Budgeted FTE Employees	389.95	387.89	(2.06)	383.36	(4.53)

Board of Governors Budget Request Summary
 Millersville University of Pennsylvania

Educational & General Budget			Percent		Percent
Revenue/Sources	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Tuition	\$58,361,101	\$58,909,874	0.9%	\$58,909,874	0.0%
Fees	13,233,256	13,317,773	0.6%	13,452,623	1.0%
State Appropriation	30,277,192	30,872,019	2.0%	30,872,019	0.0%
All Other Revenue	5,086,213	4,549,746	-10.5%	4,374,638	-3.8%
Use of Carryforward	4,879,545	3,206,045	-34.3%	3,206,045	0.0%
Total Revenue/Sources	\$111,837,307	\$110,855,457	-0.9%	\$110,815,199	0.0%
Expenditures and Transfers					
Compensation Summary:					
Salaries & Wages	\$58,051,433	\$58,265,542	0.4%	\$61,225,642	5.1%
Benefits	22,787,002	25,658,297	12.6%	28,666,959	11.7%
Subtotal, Compensation	\$80,838,435	\$83,923,839	3.8%	\$89,892,601	7.1%
Utilities	2,785,460	2,473,796	-11.2%	2,572,748	4.0%
Services & Supplies	20,268,133	18,373,691	-9.3%	18,878,837	2.7%
Capital Expenditures & Transfers	7,945,279	6,084,131	-23.4%	6,084,131	0.0%
Total Expenditures and Transfers	\$111,837,307	\$110,855,457	-0.9%	\$117,428,317	5.9%
Revenue/Sources Less Expenditures/Transfers					
	\$0	\$0		(\$6,613,118)	

Annualized FTE Enrollment			Percent		Percent
	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Resident Undergraduate	6,717.58	6,569.50	-2.2%	6,569.50	0.0%
Nonresident Undergraduate	334.47	335.30	0.2%	335.30	0.0%
Resident Graduate	668.23	653.70	-2.2%	653.70	0.0%
Nonresident Graduate	27.13	25.10	-7.5%	25.10	0.0%
Total FTE Enrollment	7,747.41	7,583.60	-2.1%	7,583.60	0.0%

E&G FTE Employees			Change		Change
	FY 2012/13	FY 2013/14		FY 2014/15	
Faculty	373.85	373.85	0.00	373.85	0.00
AFSCME	307.86	287.76	(20.10)	300.26	12.50
Nonrepresented	118.52	111.25	(7.27)	109.50	(1.75)
SCUPA	24.67	24.67	0.00	25.67	1.00
All Other	53.28	50.28	(3.00)	53.28	3.00
Total Budgeted FTE Employees	878.18	847.81	(30.37)	862.56	14.75

Board of Governors Budget Request Summary
Shippensburg University of Pennsylvania

Educational & General Budget			Percent		Percent
Revenue/Sources	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Tuition	\$52,530,985	\$52,959,005	0.8%	\$52,994,011	0.1%
Fees	11,379,411	11,658,288	2.5%	11,725,336	0.6%
State Appropriation	28,013,306	28,164,791	0.5%	28,164,791	0.0%
All Other Revenue	4,653,979	4,676,856	0.5%	4,689,537	0.3%
Use of Carryforward	2,997,647	2,125,651	-29.1%	2,125,651	0.0%
Total Revenue/Sources	\$99,575,328	\$99,584,591	0.0%	\$99,699,326	0.1%
Expenditures and Transfers					
Compensation Summary:					
Salaries & Wages	\$56,139,659	\$55,410,949	-1.3%	\$57,304,071	3.4%
Benefits	23,311,873	24,459,207	4.9%	26,527,664	8.5%
Subtotal, Compensation	\$79,451,532	\$79,870,156	0.5%	\$83,831,735	5.0%
Utilities	1,940,984	1,902,164	-2.0%	1,902,164	0.0%
Services & Supplies	14,198,277	14,238,851	0.3%	14,238,851	0.0%
Capital Expenditures & Transfers	3,984,535	3,573,420	-10.3%	3,570,170	-0.1%
Total Expenditures and Transfers	\$99,575,328	\$99,584,591	0.0%	\$103,542,920	4.0%
Revenue/Sources Less Expenditures/Transfers					
	\$0	\$0		(\$3,843,594)	

Annualized FTE Enrollment			Percent		Percent
	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Resident Undergraduate	5,965.00	5,832.99	-2.2%	5,832.99	0.0%
Nonresident Undergraduate	426.31	499.17	17.1%	499.17	0.0%
Resident Graduate	589.62	569.58	-3.4%	569.58	0.0%
Nonresident Graduate	70.42	77.52	10.1%	77.52	0.0%
Total FTE Enrollment	7,051.35	6,979.26	-1.0%	6,979.26	0.0%

E&G FTE Employees			Change		Change
	FY 2012/13	FY 2013/14		FY 2014/15	
Faculty	342.12	322.62	(19.50)	322.62	0.00
AFSCME	233.00	226.00	(7.00)	226.00	0.00
Nonrepresented	90.00	89.00	(1.00)	89.00	0.00
SCUPA	29.71	29.71	0.00	29.71	0.00
All Other	36.45	35.45	(1.00)	35.45	0.00
Total Budgeted FTE Employees	731.28	702.78	(28.50)	702.78	0.00

Board of Governors Budget Request Summary
Slippery Rock University of Pennsylvania

Educational & General Budget			Percent		Percent
Revenue/Sources	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Tuition	\$62,910,361	\$63,596,975	1.1%	\$60,944,924	-4.2%
Fees	13,383,265	13,519,657	1.0%	12,984,047	-4.0%
State Appropriation	32,012,491	32,576,803	1.8%	32,576,803	0.0%
All Other Revenue	4,092,664	3,730,028	-8.9%	3,770,028	1.1%
Use of Carryforward	(315,522)	1,082,352	n/a	1,082,352	0.0%
Total Revenue/Sources	\$112,083,259	\$114,505,815	2.2%	\$111,358,154	-2.7%
Expenditures and Transfers					
Compensation Summary:					
Salaries & Wages	\$60,565,178	\$63,485,884	4.8%	\$65,387,831	3.0%
Benefits	25,711,423	29,068,664	13.1%	31,315,605	7.7%
Subtotal, Compensation	\$86,276,601	\$92,554,548	7.3%	\$96,703,436	4.5%
Utilities	2,847,156	2,811,012	-1.3%	2,923,452	4.0%
Services & Supplies	18,098,526	16,457,800	-9.1%	16,919,050	2.8%
Capital Expenditures & Transfers	4,860,976	2,682,455	-44.8%	2,704,625	0.8%
Total Expenditures and Transfers	\$112,083,259	\$114,505,815	2.2%	\$119,250,563	4.1%
Revenue/Sources Less Expenditures/Transfers					
	\$0	\$0		(\$7,892,409)	

Annualized FTE Enrollment			Percent		Percent
	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Resident Undergraduate	6,995.93	6,749.72	-3.5%	6,384.00	-5.4%
Nonresident Undergraduate	919.87	864.95	-6.0%	789.50	-8.7%
Resident Graduate	625.67	654.12	4.5%	702.77	7.4%
Nonresident Graduate	100.50	113.75	13.2%	115.65	1.7%
Total FTE Enrollment	8,641.97	8,382.54	-3.0%	7,991.92	-4.7%

E&G FTE Employees			Change		Change
	FY 2012/13	FY 2013/14		FY 2014/15	
Faculty	402.41	419.70	17.29	419.70	0.00
AFSCME	288.60	289.60	1.00	289.60	0.00
Nonrepresented	96.00	97.00	1.00	97.00	0.00
SCUPA	32.08	34.08	2.00	34.08	0.00
All Other	53.25	53.25	0.00	53.25	0.00
Total Budgeted FTE Employees	872.34	893.63	21.29	893.63	0.00

Board of Governors Budget Request Summary
West Chester University of Pennsylvania

Educational & General Budget			Percent		Percent
Revenue/Sources	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Tuition	\$118,000,966	\$122,569,746	3.9%	\$123,111,577	0.4%
Fees	23,083,468	23,221,298	0.6%	23,304,762	0.4%
State Appropriation	48,935,460	49,914,169	2.0%	49,914,169	0.0%
All Other Revenue	7,786,696	6,943,957	-10.8%	6,943,957	0.0%
Use of Carryforward	0	4,500,000	n/a	5,500,000	22.2%
Total Revenue/Sources	\$197,806,590	\$207,149,170	4.7%	\$208,774,465	0.8%
Expenditures and Transfers					
Compensation Summary:					
Salaries & Wages	\$98,786,754	\$103,753,522	5.0%	\$109,179,570	5.2%
Benefits	37,243,438	43,421,727	16.6%	48,185,980	11.0%
Subtotal, Compensation	\$136,030,192	\$147,175,249	8.2%	\$157,365,550	6.9%
Utilities	3,333,250	3,433,248	3.0%	3,127,861	-8.9%
Services & Supplies	27,998,688	38,510,912	37.5%	38,510,912	0.0%
Capital Expenditures & Transfers	30,444,460	18,029,761	-40.8%	16,061,227	-10.9%
Total Expenditures and Transfers	\$197,806,590	\$207,149,170	4.7%	\$215,065,550	3.8%
Revenue/Sources Less					
Expenditures/Transfers	\$0	\$0		(\$6,291,085)	

Annualized FTE Enrollment			Percent		Percent
	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Resident Undergraduate	11,432.27	11,632.45	1.8%	11,659.00	0.2%
Nonresident Undergraduate	1,638.58	1,711.34	4.4%	1,737.09	1.5%
Resident Graduate	1,247.63	1,245.21	-0.2%	1,287.43	3.4%
Nonresident Graduate	178.65	191.48	7.2%	198.44	3.6%
Total FTE Enrollment	14,497.12	14,780.47	2.0%	14,881.97	0.7%

E&G FTE Employees			Change		Change
	FY 2012/13	FY 2013/14		FY 2014/15	
Faculty	778.10	790.20	12.10	790.20	0.00
AFSCME	351.92	348.58	(3.34)	348.58	0.00
Nonrepresented	162.30	174.58	12.28	174.58	0.00
SCUPA	48.09	56.49	8.40	56.46	(0.03)
All Other	55.13	55.31	0.18	55.31	0.00
Total Budgeted FTE Employees	1,395.54	1,425.16	29.62	1,425.13	(0.03)

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

Educational & General Budget					
Revenue/Sources	FY 2012/13	FY 2013/14	Percent Change	FY 2014/15	Percent Change
Tuition	\$0	\$0	n/a	\$0	n/a
Fees	0	0	n/a	0	n/a
State Appropriation	2,059,535	2,058,614	0.0%	2,058,614	0.0%
All Other Revenue	5,909,603	6,090,859	3.1%	6,153,332	1.0%
Use of Carryforward	749,294	484,595	-35.3%	500,000	3.2%
Total Revenue/Sources	\$8,718,432	\$8,634,068	-1.0%	\$8,711,946	0.9%
Expenditures and Transfers					
Compensation Summary:					
Salaries & Wages	\$4,075,384	\$4,134,041	1.4%	\$4,221,570	2.1%
Benefits	1,255,738	1,459,527	16.2%	1,623,000	11.2%
Subtotal, Compensation	\$5,331,122	\$5,593,568	4.9%	\$5,844,570	4.5%
Utilities	3,545	5,065	42.9%	5,268	4.0%
Services & Supplies	2,375,692	2,463,081	3.7%	2,493,913	1.3%
Capital Expenditures & Transfers	1,008,073	572,354	-43.2%	701,000	22.5%
Total Expenditures and Transfers	\$8,718,432	\$8,634,068	-1.0%	\$9,044,751	4.8%
Revenue/Sources Less Expenditures/Transfers					
	\$0	\$0		(\$332,805)	

Annualized FTE Enrollment					
	FY 2012/13	FY 2013/14	Percent Change	FY 2014/15	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
Total FTE Enrollment	0.00	0.00	n/a	0.00	n/a

E&G FTE Employees					
	FY 2012/13	FY 2013/14	Change	FY 2014/15	Change
Faculty	0.00	0.00	0.00	0.00	0.00
AFSCME	4.17	4.83	0.66	4.79	(0.04)
Nonrepresented	35.58	38.47	2.89	38.47	0.00
SCUPA	0.79	0.96	0.17	1.00	0.04
All Other	0.00	0.00	0.00	0.00	0.00
Total Budgeted FTE Employees	40.54	44.26	3.72	44.26	0.00

Board of Governors Budget Request Summary

Other Programs Administered by the Office of the Chancellor in FY 2012/13 and 2013/14

	2012/13	2013/14
Programs Funded from the Educational & General Appropriation*	Appropriation	Appropriation
System Reserve	\$350,000	\$204,000
Dixon University Center Academic Programs (5.31 FTE Employees)	\$1,148,000	\$1,148,000
Office of Internal Audit and Risk Assessment (8.00 Employees)	\$844,047	\$1,028,300
Faculty Professional Development**	\$0	\$300,000
Tenure-Track Professional Development**	\$0	\$50,000
Faculty Professional Development for Innovative Teaching**	\$0	\$50,000

Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) (3.89 FTE Employees)

The mission of GEAR UP is "to significantly increase the number of low-income students who are prepared to enter and succeed in post-secondary education." Currently, the program is providing services for the 12th grade cohort in all high schools in the Harrisburg and Allentown School Districts and in four high schools in the School District of Philadelphia. GEAR UP is an \$18 million, six-year grant. The program receives \$3 million per year.

Consolidated University Operations (37.08 FTE Employees)

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

Site Support Functions (17.16 FTE Employees)

In addition, the Office of the Chancellor manages 17.16 FTE employees for site management and administrative services that support all programs administered by the Office of the Chancellor.

*Off-the-top items are included in PASSHE's 2014/15 budget estimates at the same level as funded in 2013/14.

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

**Pennsylvania State System of Higher Education
2014/15 Educational and General Budget Overview**

October 16, 2013

PASSHE's 2014/15 proposed Educational and General (E&G) budget recognizes the significant economic challenges that continue to impede Pennsylvania's economy and revenue outlook. Limited Commonwealth resources, mandatory cost increases that exceed revenue projections, and continued pressures on state retirement programs all indicate the potential for a challenging Commonwealth budget for fiscal year 2014/15.

The System's budget is developed based upon university budgets submitted in adherence to specific guidelines, as articulated in Agenda Item #1. PASSHE continues to operate in a recession recovery mode, limiting growth in operating costs through strategic redirection of resources; embracing efficiency initiatives; and aggressively managing its physical, financial, and human resources. The 2014/15 operating budget builds upon this cost control climate and provides for limited increases in basic operating costs.

PASSHE universities are retooling to meet changing student demographics; new program content needs; and the rapid evolution of how, where, when, and by whom courses and programs are offered. University investment in the realignment of programs and resources is evidence of PASSHE's commitment to ensure relevance in programs, reduce costs through collaboration, and focus resources on what students want and the Commonwealth needs.

The following basic adjustments are reflected in the 2014/15 E&G budget, as presented in Table 1.

Enrollment—Preliminary fall 2013 enrollment statistics indicate a continuing enrollment decline at all but three PASSHE universities, resulting in an overall reduction of approximately 2,400 FTE students, or 2.2%. The general economic environment and declining numbers of high school graduates are contributing factors. In addition, changes in state and local policies regarding advanced degrees for teachers continue to contribute to an overall decline in graduate enrollment. Nine universities anticipate no growth or continued reductions in enrollment for fiscal year 2014/15, resulting in budget estimates based on an overall enrollment decrease of 774 FTE, or 0.7%. However, enrollment projections vary significantly by university.

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

- New and existing programs in science, technology, mathematics, business and finance, and allied health are enrolling more students now than the historic strengths of education and other public service programs. PASSHE continues to align academic offerings with work force needs and student expectations. Over the past five years, the Board created 56 new academic

programs, placed 158 programs in moratorium, discontinued 40 programs, and reorganized 90 programs.

- New this fall is the Multi-University Electronic Admissions Application (MUEAA) that showcases PASSHE's program offerings, assists prospective students in applying to multiple PASSHE universities, and should result in increased admissions.
- Pathways for entry for nontraditional and returning adult students include articulation agreements in 25 areas of study with Pennsylvania's 14 community colleges. Efforts are underway to assist nontraditional students in developing "prior learning portfolios" for college credit in conjunction with the Center for Adult and Experiential Learning.
- Universities are seeking to improve student retention by addressing issues outside of the classroom that improve the campus climate and impact student retention, such as student engagement in campus activities, residence hall study groups, and improved new and transfer student orientation. National best practices for student persistence and success are being implemented, such as encouraging students to adopt a four-year graduation plan and utilizing online tutorials for developing critical competencies.

Employee Complement—PASSHE has worked diligently in recent years to manage its human resources, filling only essential positions as they become vacant. With annual work force cost increases outpacing anticipated revenue increases, PASSHE continues to ensure the proper alignment of human and fiscal resources with the strategic directions and operational responsibilities of the System through work force planning. Through a combination of retirements, voluntary separations, and furloughs, PASSHE has 540 fewer permanent employees today than in fall 2008.

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

Salaries—PASSHE has collective bargaining agreements in place for all of its unions as well as approved salary increases for nonrepresented employees, which provide guidance for 2014/15 compensation. These requirements, combined with projected complement adjustments, will generate an estimated increase in employee salaries and wages of \$27.1 million, or 3.4%.

Employee Benefits—Of those employees who receive health benefits, approximately 63% are enrolled in PASSHE's health care program. PASSHE continues to experience record enrollment in Healthy U, the System's wellness program. Employees who do not participate in the wellness program pay a larger portion of their health care premiums. PASSHE projects the employer share

of health care costs for active and annuitant employees within the System-managed programs to increase an average of 4.6% next year based upon a combination of national trends, PASSHE's health care experience, participation in the wellness program, and the anticipated change in complement. These estimates also include additional costs required by federal health care reform. The remaining 37% of PASSHE's employees receive health care through the Pennsylvania Employees Benefit Trust Fund (PEBTF). These rates are established in the AFSCME collective bargaining agreement, which reflects an employer rate increase of 7.1% for 2014/15. In addition, the Commonwealth's retiree health care rates are anticipated to increase 9.5%, according to the Commonwealth budget guidelines. Combined health care costs are anticipated to increase \$9.8 million, or 5.5%.

The two primary Commonwealth retirement programs, State Employees' Retirement System (SERS) and Public School Employees' Retirement System (PSERS), continue to experience financial stress that is resulting in significant rate increases. Approximately half of PASSHE's employees have chosen SERS or PSERS as their retirement vehicle. In accordance with Commonwealth budget guidelines, the most common SERS employer contribution rate is projected to increase from 15.1% of salaries to 20.0% of salaries, or an increase of 32%. PSERS rates are expected to increase 27%. The combined cost associated with SERS and PSERS rate increases alone is \$13.2 million. Retirement rates associated with the alternative retirement programs remain the same. Combined retirement costs—rate increases applied to a higher salary base—are expected to increase in 2014/15 by \$16.7 million, or 20%.

Overall, employee benefits expenditures are expected to increase \$31.2 million, or 8.8%.

Utilities—In recent years, PASSHE universities experienced higher than normal electricity rate increases due to the phased implementation of electric deregulation. Now fully deregulated, PASSHE's 2014/15 utilities costs are anticipated to increase at a more reasonable rate of \$0.4 million, or 1.3%, to address anticipated rate adjustments and additions to university square footage. Rate increases are partially offset by energy conservation efforts derived, in part, through the use of energy savings corporations (ESCOs) and some universities converting from coal to more efficient fuel sources. University utilities cost increases vary significantly, depending on the mix of utilities, changes in space, and status of ESCO projects.

All Other Basic Operating Expenditures—Given the current fiscal environment, universities continue to limit all nonmandatory spending. Therefore, anticipated expenditures for services, supplies, and materials are projected to increase \$5.2 million, or 1.9%. This is made possible partially through the use of strategic sourcing contracts, which combine the purchasing power of PASSHE's universities to obtain optimal pricing on services, supplies, and equipment. Capital expenditures and transfers, which represent PASSHE's investment in its physical resources from the E&G budget, are projected to decrease at most universities that experienced higher capital expenditures in 2013/14 due to the availability of

one-time resources that were dedicated to specific projects. In total, noncompensation expenditures are estimated to decrease \$6.9 million, or 1.7%.

As stated above, the expenditure requirements are primarily driven by mandatory cost increases, such as contractual compensation requirements, SERS/PERS rate increases, and health care costs. However, the expenditure requirements also incorporate, to a smaller extent, the net effect of realignment efforts, which include (1) reducing under-utilized programs and services, and (2) expanding and/or creating relevant, high-need programs. This latter phase of realignment has an upfront, nonrecurring cost (e.g., feasibility studies, curriculum development, new faculty, instructional space and equipment, and instructional resources). Other costs are recurring and will be sustained in the future through enrollment-driven revenue. These combined adjustments result in an overall 2014/15 E&G expenditure requirement of \$1.61 billion, an increase of \$51.5 million, or 3.3%.

Assuming no change in PASSHE's E&G appropriation or tuition rates, university revenue estimates reflect a \$4.5 million reduction in tuition and fee revenue attributed to projected declines in enrollment at six universities. The net loss in recurring, enrollment-driven revenue, combined with PASSHE's expenditure requirements totals \$56.0 million. In addition, a \$12.7 million reduction in nonrecurring sources is primarily attributed to an \$11.6 million reduction in use of Carryforward funds as universities transition toward realignment plans that began in 2013/14. The combined revenue and expenditure estimates result in a total of \$68.7 million in both recurring and nonrecurring adjustments.

On October 16, 2013, the Board of Governors' Finance, Administration, and Facilities Committee will develop recommendations for an E&G appropriation request. Although no decision will be made concerning tuition rate increases at that time, a tuition assumption will be necessary to balance the budget request. The Board will consider addressing the remaining budgetary requirements in the spring through a tuition increase or other means.

Table 1
Pennsylvania State System of Higher Education
FY 2014/15 Educational and General Budget Summary

Educational & General Budget						
Revenue/Sources	FY 2012/13	FY 2013/14	% Change	FY 2014/15	\$ Change	% Change
Tuition	\$834.2	\$839.1	0.6%	\$835.2	(\$3.9)	-0.5%
Fees	179.6	180.7	0.6%	180.1	(0.6)	-0.3%
State Appropriation	412.8	412.8	0.0%	412.8	0.0	0.0%
All Other Revenue*	73.9	70.8	-4.2%	69.7	(1.1)	-1.6%
Use of Carryforward*	9.0	59.1	557.7%	47.5	(11.6)	-19.7%
Total Revenue/Sources	\$1,509.4	\$1,562.4	3.5%	\$1,545.2	(\$17.2)	-1.1%
Expenditures and Transfers						
Compensation Summary:						
Salaries & Wages	\$778.0	\$795.6	2.3%	\$822.7	\$27.1	3.4%
Benefits	316.6	353.2	11.6%	384.4	31.2	8.8%
Subtotal, Compensation	\$1,094.5	\$1,148.8	5.0%	\$1,207.1	\$58.3	5.1%
Noncompensation Summary:						
Utilities	32.9	34.1	3.5%	34.5	0.4	1.3%
Services & Supplies	260.8	273.2	4.7%	278.4	5.2	1.9%
Capital Expenditures & Transfers	124.1	106.4	-14.3%	93.8	(12.6)	-11.8%
Subtotal, Noncompensation	\$417.8	\$413.6	-1.0%	\$406.7	(\$6.9)	-1.7%
Total Expenditures and Transfers	\$1,512.3	\$1,562.4	3.3%	\$1,613.9	\$51.5	3.3%
Revenue/Sources Less Expenditures/Transfers	(\$2.9)	\$0.0		(\$68.7)		
Excluding One-Time Sources*				(\$56.0)		

Annualized FTE Enrollment	FY 2012/13	FY 2013/14	% Change	FY 2014/15	Change	% Change
Resident Undergraduate	84,961.99	83,215.81	-2.1%	82,396.86	(818.95)	-1.0%
Nonresident Undergraduate	11,128.00	11,034.38	-0.8%	10,908.74	(125.64)	-1.1%
Resident Graduate	8,724.67	8,243.26	-5.5%	8,375.25	131.99	1.6%
Nonresident Graduate	2,162.29	2,095.30	-3.1%	2,133.82	38.52	1.8%
Total FTE Enrollment	106,976.96	104,588.76	-2.2%	103,814.68	(774.08)	-0.7%

E&G FTE Employees	FY 2012/13	FY 2013/14	% Change	FY 2014/15	Change	% Change
Faculty	5,362.26	5,301.35	-1.1%	5,286.32	(15.03)	-0.3%
AFSCME	3,289.21	3,249.40	-1.2%	3,254.01	4.61	0.1%
Management	1,394.74	1,410.91	1.2%	1,409.98	(0.93)	-0.1%
SCUPA	438.27	461.90	5.4%	460.87	(1.03)	-0.2%
All Other	630.80	628.42	-0.4%	630.42	2.00	0.3%
Total Budgeted FTE Employees	11,115.28	11,051.98	-0.6%	11,041.60	(10.38)	-0.1%

*The 2014/15 reductions in All Other Revenue and Use of Carryforward are reductions in nonrecurring, one-time sources.

Pennsylvania State System of Higher Education
2014/15 Line Item Proposal:
High Priority Occupation Programs
October 16, 2013

A line item request of \$XX million is proposed for the purpose of aligning academic program offerings to current and emerging high priority occupations across the Commonwealth that will provide employment opportunities for graduates to remain in Pennsylvania and contribute to the economic, social, and cultural vitality of their region.

Funding will serve as a one-time investment in the development and/or expansion of innovative academic programs within high priority occupation clusters, such as Advanced Manufacturing and Materials, Biotechnology, Life Sciences, Information Technology, and Energy. Graduates will be prepared for careers such as biological technicians, market researchers, logisticians, engineering and engineering technicians, health care technicians and other health care professionals (especially in regions underserved by community colleges), computer systems analysts, software developers, and entrepreneurs within the respective industries.

The curriculum development process will be competency-based and developed in partnership with business/industry to ensure relevancy and application. This partnership will incorporate internships, field experiences, and research experiences that will engage students with faculty mentors and industry partners. In addition, the flexible curriculum design will use various delivery methods to meet the needs of students and will ensure mobility via multiple pathways for high school students, transfer students, and adult students to articulate credits for their prior learning.

If funded, the line item will be distributed to universities through a program proposal process, as nonrecurring funds, to assist with the start-up costs of expanding existing programs and/or developing new programs that align with the high priority occupation needs of the Commonwealth.

Bloomsburg University of Pennsylvania



26 Acres Adjacent to Upper Campus



View of Property Facing Northwest, Bloomsburg, Pennsylvania



Board of Governors' Meeting Calendar 2014-2016

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

2014	Wednesday and Thursday Wednesday and Thursday Monday and Tuesday Wednesday and Thursday	January 22 and 23 April 9 and 10 June 25 and 26 July 7 and 8 October 8 and 9
2015	Wednesday and Thursday Wednesday and Thursday Monday and Tuesday Wednesday and Thursday	January 21 and 22 April 8 and 9 June 24 and 25 July 6 and 7 October 7 and 8
2016	Wednesday and Thursday Wednesday and Thursday Wednesday and Thursday Wednesday and Thursday	January 20 and 21 April 6 and 7 July 6 and 7 October 5 and 6

Revised: October 17, 2013