

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

Meeting Minutes

238th Meeting
Thursday, April 6, 2017
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
Audrey F. Bronson
Wil Del Pilar (Secretary of Education's designee)
Secretary Sarah E. Galbally (Governor Wolf's designee)
Thomas J. Gombar (Senator Schwank's designee) (via phone)
Representative Michael K. Hanna
Shania M. Hilsey
Donald E. Houser, Jr.
Jonathan B. Mack
David M. Maser (Vice Chair)
Thomas S. Muller
Guido M. Pichini
Senator Judith L. Schwank (via phone)
Cynthia D. Shapira (Chair)
Harold C. Shields
Jacob "Jake" G. Smeltz (Senator Aument's designee) (via phone)
Barbara McIlvaine Smith
Logan L. Steigerwalt
Brian H. Swatt
Aaron A. Walton (Vice Chair)

Senator Ryan P. Aument, Daniel P. Meuser, and Secretary of Education Pedro A. Rivera, were absent.

Office of the Chancellor:

Frank T. Brogan (Chancellor)
James S. Dillon
Peter H. Garland
Randy A. Goin, Jr.
Kathleen M. Howley
Andrew C. Lehman

Also in attendance from the Office of the Chancellor: Angela C. Smith-Aumen, Alicia A. Brumbach, Ginger S. Coleman, Steven R. Dupes, Yvonne M. Grier, Audrey J. Guistwhite, Jennifer E. Hoover, Lois M. Johnson, Kenneth D. Marshall, Sue Mukherjee, Charlotte L. Osmolenski, Victoria L. Sanders, Lisa A. Sanno, Dean A. Weber, and Eric J. Zeglen.

Also in attendance: Jennifer S. Hartman, Chief Executive Officer, Pennsylvania's State System of Higher Education Foundation Board

University Presidents in attendance: John M. Anderson, Christopher M. Fiorentino, Michael A. Driscoll, Michael Fiorentino, Jr., Kenneth S. Hawkinson, Francis L. Hendricks, Geraldine M. Jones, Tara Kent represented Interim President Frank G. Pogue, Interim President Barbara G. Lyman, Cheryl J. Norton, David L. Soltz, H. Fred Walker, Marcia G. Welsh, and Karen M. Whitney.

Vice Chair Maser called the meeting to order at 9:05 a.m.

Attendance taken at the direction of Vice Chair Maser 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

Vice Chair Maser noted that the minutes of the meetings held on January 25, 2017, January 26, 2017, and February 22, 2017, were distributed prior to the meeting. Vice Chair Maser moved **THAT THE MINUTES OF THE JANUARY 25, 2017, JANUARY 26, 2017, AND FEBRUARY 22, 2017, MEETINGS BE APPROVED.**

The motion passed unanimously. Vote: Yes - 12; No - 0

PUBLIC COMMENTS

Public comments were provided by Dr. Ken Mash, President of APSCUF, and Sheleta J. Camarda-Webb, President of SCUPA.

To hear all comments, click on the link.

<http://ducmediasite.passhe.edu/Mediasite/Play/c45432f202a14c4280a1188406fd967d1d>

THE CHAIRWOMAN'S COMMENTS INCLUDED THE FOLLOWING:

- Three new student Board members
- Logan L. Steigerwalt – Senate and House budget appropriations hearings
- Advocacy Days
- President F. Fred Walker's inauguration at Edinboro University of Pennsylvania
- President Christopher M. Fiorentino's inauguration at West Chester University of Pennsylvania
- President David L. Soltz, Bloomsburg University of Pennsylvania
- Sixth Annual Student Business Plan Competition

Chairwoman Shapira noted that the Board met in Executive Session on Wednesday, April 5, 2017, from 12:00 p.m. to 1:55 p.m. No action was taken.

Chairwoman Shapira turned the meeting over to Chancellor Brogan for his remarks.

THE CHANCELLOR'S COMMENTS INCLUDED THE FOLLOWING:

- Student Success Scholarship
- Sixth Annual Student Business Plan Competition
- House and Senate budget appropriations hearings
- President F. Fred Walker's inauguration at Edinboro University of Pennsylvania
- President Christopher M. Fiorentino's inauguration at West Chester University of Pennsylvania
- NCHEMS
- Advocacy Days
- Mascot Madness

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

COMMITTEE REPORTS WITH RELATED ACTIONS

A. Academic and Student Affairs Committee

Governor Mack presented the report on behalf of the Academic and Student Affairs Committee. The Committee had three presentations and recognition of the Annual Syed R. Ali Zaidi Award for Academic Excellence. (Attachment #1)

Governor Mack noted that the Committee had two action items to recommend to the Board for approval. (Two new academic programs)

Governor Mack **moved THAT THE BOARD OF GOVERNORS APPROVE A DOCTOR OF BUSINESS ADMINISTRATION IN BUSINESS ADMINISTRATION PROGRAM AT SHIPPENSBURG UNIVERSITY OF PENNSYLVANIA.** (Attachment #2)

The motion passed unanimously. Vote: Yes 18; No 0

Governor Mack **moved THAT THE BOARD OF GOVERNORS APPROVE A DOCTORATE OF OCCUPATIONAL THERAPY IN OCCUPATIONAL THERAPY AT SLIPPERY ROCK UNIVERSITY OF PENNSYLVANIA.** (Attachment #3)

The motion passed unanimously. Vote: Yes 18; No 0

B. Audit Committee

Governor Shields presented the report on behalf of the Audit Committee. The Committee reviewed one information item: Office of Internal Audit and Risk Assessment (OIARA) update. (Attachment #4)

Governor Shields noted there were no action items to recommend to the Board for approval.

C. Finance, Administration, and Facilities Committee

Governor Maser presented the report on behalf of the Finance, Administration, and Facilities Committee. The Committee had no information items.

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

Governor Maser moved **THAT THE BOARD OF GOVERNORS ADOPTS THE ATTACHED RESOLUTION AUTHORIZING THE ISSUANCE OF BONDS UP TO A MAXIMUM PROJECT CASH OF \$41.5 MILLION.** (Attachment #5)

The motion passed unanimously. Vote: Yes - 18; No - 0

Governor Maser moved **THAT THE BOARD OF GOVERNORS ADOPTS THE ATTACHED RESOLUTION TO AUTHORIZE FUTURE ISSUANCE OF REFUNDING BONDS WHEN MARKET CONDITIONS PERMIT AND AFTER THE VICE CHANCELLOR FOR ADMINISTRATION AND FINANCE CONSULTS WITH THE CHAIR OF THE FINANCE, ADMINISTRATION, AND FACILITIES COMMITTEE.** (Attachment #6)

The motion passed unanimously. Vote: Yes - 18; No - 0

Governor Maser moved **THAT THE BOARD OF GOVERNORS APPROVE THE ALTERNATIVE TUITION PLANS FOR CALIFORNIA, CHEYNEY, MANSFIELD, MILLERSVILLE, AND WEST CHESTER UNIVERSITIES OF PENNSYLVANIA, AS ATTACHED, EFFECTIVE FALL 2017.**

The vote was taken separately for each university – California, Cheyney, Mansfield, Millersville, and West Chester.

California University – The motion passed unanimously. Vote: Yes 18 No – 0
(Attachment #7)

Cheyney University – The motion passed. Vote: Yes – 17 No – 1
(Attachment #8)

Mansfield University - The motion passed unanimously. Vote: Yes 18 No – 0
(Attachment #9)

Millersville University - The motion passed. Vote: Yes – 14 No – 2
(Attachment #10)

West Chester University - The motion passed unanimously. Vote: Yes 18 No – 0
(Attachment #11)

BOARD ACTION

Chairwoman Shapira noted there were two action items to recommend to the Board for approval.

Chairwoman Shapira read into the record a resolution honoring Dr. George F. “Jody” Harpster. Chairwoman Shapira moved **THAT THE BOARD OF GOVERNORS APPROVE THE RESOLUTION.** (Attachment #12)

Voice vote. The motion passed unanimously.

Chairwoman Shapira read into the record a resolution honoring Dr. David L. Soltz as *President Emeritus*. Chairwoman Shapira moved **THAT THE BOARD OF GOVERNORS APPROVE THE RESOLUTION.** (Attachment #13)

Voice vote. The motion passed unanimously.

ADJOURNMENT

There being no further items of business to come before the Board, Chairwoman Shapira adjourned the meeting at 11:05 a.m.

ATTEST: _____
Randy A. Goin, Jr.
Chief of Staff

The webcast link for April 6, 2017 Board Meeting
<http://ducmediasite.passhe.edu/Mediasite/Play/c45432f202a14c4280a1188406fd967d1d>

December 15, 2016



Office of the President

Mansfield, PA 16933
(570) 662-4046

Academic and Student Affairs Committee
c/o Michele Kennedy
Pennsylvania State System of Higher Education
2986 North Second Street
Harrisburg PA 17110-1201

Dear Michele:

It is my distinct honor to recommend Sarah Polinski for the Syed R. Ali Zaidi Award for Academic Excellence. Sarah's accomplishments both in and out of the classroom earn her the recognition reserved for the recipient of this prestigious award.

Sarah is a dual major in Music Education and Music: Vocal Performance. She is finishing her undergraduate studies this month with a 4.0 cumulative GPA while completing an impressive 176 credits. Dr. Alissa Rose, Associate Professor of Voice states "I believe that Sarah's excellent academic record, musical abilities, service to the university and community, and overall character thoroughly attest to her qualifications for this award."

In addition to her academic success and scholarly activities, Sarah has been equally impactful as a leader in campus and community service endeavors. She volunteers at her home church, for the Veterans of Foreign Wars organization and coaches student performers on the Sayre High School Speech and Debate Team. During the summers as part of the HOBY Youth Leadership Conference, Sarah facilitated personal, group and community leadership activities to high school students across PA. She has worked in the community as a director of the Hamilton-Gibson Young Women's Choir, performed four lead roles with the College Light Opera Company, was a feature jazz vocalist at the Endless Mountains Music Festival in 2015 and was the winner of the NATS regional competition in the Musical Theatre category. Sarah has been a featured soloist with the Mansfieldians Vocal Jazz Ensemble and the award-winning Mansfield University Concert Choir including solos at Carnegie Hall and the World Choir Games in Latvia in 2014.

Sarah has left an indelible mark of excellence upon the University through her academic achievements and her willingness to give back. She has captured the admiration of both the faculty and her peers by her infectious enthusiasm, all while maintaining her stellar academic performance. Her significant leadership contributions are characterized by the excellence expected of Ali Zaidi award recipients. Mansfield University is proud to nominate Ms. Sarah Polinski for this distinguished award and the recognition that accompanies it.

Very Respectfully,

Francis L. Hendricks '79
Brigadier General, USAF (Retired)
President, Mansfield University

Mansfield University is a member of the Pennsylvania State System of Higher Education

SARAH Y. POLINSKI

524 Stevenson St.
Sayre, Pennsylvania, 18840

(607) 857-4017

polinskisy18@gmail.com

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|-----------------------------------|--|---|
| EDUCATION: | Mansfield University , Mansfield, PA, Dec. 2016 | Summa cum laude |
| | B.M. Music Education and Vocal Performance Sayre Area High School , Sayre, PA, June 2012 | GPA: 4.0 Valedictorian |
| TEACHING EXPERIENCE: | Student Teaching, Middle/High School Music Teacher | Aug–Dec 2016 |
| | Wyalusing School District, PA: 5–12 th grade choir, 6–8 th general music, vocal jazz ensemble. Horseheads Intermediate School, NY: 5–6 th general music, 5–6 th grade choir. | |
| | Hamilton-Gibson Young Women's Choir, Director | Dec 2015–May 2016 |
| | Young Women's Director for a youth community choir in Wellsboro, PA. Taught 30 high school students during weekly rehearsals, directed two concerts, and helped lead all choirs (2 nd –12 th grade) on a tour to WV. | |
| VOLUNTEER POSITIONS: | Private Music Lessons, Vocal/ Saxophone Instructor | Jan. 2013–May 2016 |
| | Taught private voice and alto saxophone lessons to young adults ages 10 through 18 in both Sayre, PA and Mansfield, PA. | |
| | HOB Youth Leadership Conference, Facilitator | May 2011–Present |
| | Facilitate personal, group, and community leadership activities to 250 high school sophomores across PA. Recruitment and Off-Site Business Coordinator, 2016. Donations Coordinator and Guest Speaker 2013–14. | |
| OTHER WORK EXPERIENCE: | Mansfield Concert Choir, Soprano Section Leader | Jan–May 2016 |
| | Organized and directed weekly rehearsals with the sopranos of the MU Concert Choir. Rehearsed choral repertoire and reinforced vocal pedagogy. | |
| | Mansfield Jazz Organization, Treasurer | Jan. 2014–Jan. 2015 |
| | Completed budget and allocation requests, filed the annual budget spreadsheet, and completed detailed budget summary of fundraisers and semester activities. | |
| HONORS: | American Choral Directors Assoc., Fundraising Chair | Aug–Dec 2014 |
| | Organized fundraisers, collected donations from local companies, and organized an auction to fund the ACDA Conference budget. | |
| | Brooklyn Academy of Music, Membership Rep. | June 2015–Present |
| | Professional fundraiser for the Brooklyn Academy of Music in Brooklyn, NY, raising money for educational programs, theatre, opera, dance, and cinema films. | |
| | Mansfield University Phonathon, Manager | Oct. 2014–Dec. 2015 |
| | Raised over \$43,000 for Mansfield University as a caller. As a Manager, trained 28 student callers each semester for the Mansfield University Phonathon Program. | |
| | PASSHE Fitz Dixon Memorial Scholarship | 2016 |
| | Recipient must demonstrate academic excellence and voluntary service within the community at home and at his or her State System university. | |
| | Alpha Zeta Chapter of Delta Kappa Gamma Education Grant | 2015 |
| | Awarded by the DKG International Society for Key Women Educators to a student who "excels academically, is involved in community and school activities, and who has a sincere commitment to the field of education." | |
| | Northeastern Regions PSEA-Retired Scholarship | 2015 |
| | Jack Wilcox Memorial Scholarship for Musical Theatre | 2015 |

SARAH POLINSKI

Mezzo-Soprano

SUMMER STOCK THEATRE

| | | | |
|-----------------------------|--------------------|---------------------|----------------------------------|
| <i>The Merry Widow</i> | Valencienne | College Light Opera | David Ward, David Weiller |
| <i>Guys and Dolls</i> | Sarah Brown | College Light Opera | Jacob Allen, Beth Burrier |
| <i>Beauty and the Beast</i> | Belle | College Light Opera | David Ward, Todd Florin |
| <i>A Little Night Music</i> | Anne | College Light Opera | Corin Hollifield, David Möschler |

College Light Opera Company: Performed in the Vocal Company for *The Sorcerer, Of Thee I Sing, Brigadoon, Gentlemen Prefer Blondes, Yeomen of the Guard* (Summer 2016).

OTHER MUSICAL THEATRE AND OPERA

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|-----------------------------------|---------------------|----------------------|-------------------------------|
| <i>Shrek The Musical</i> | Fiona | Mansfield University | Todd Ranney, Sheryl Monkelien |
| <i>The Consul</i> | Secretary | Mansfield University | Todd Ranney, Youngsuk Kim |
| <i>Into the Woods</i> | Cinderella | Arcadia Theatre | Peter Davis |
| <i>Children of Eden</i> | Yonah | Mansfield University | David Deitz, Sheryl Monkelien |
| <i>How to Succeed in Business</i> | Rosemary | Arcadia Theatre | Peter Davis |
| <i>Les Misérables</i> | Fantine | Mansfield University | Sheryl Monkelien, David Deitz |
| <i>Company</i> | Sarah | Arcadia Theatre | Peter Davis |
| <i>Mame</i> | Mame | Valley Com. Theatre | David Zimmerman |
| <i>Annie Get Your Gun</i> | Annie Oakley | Valley Com. Theatre | David Zimmerman |

VOCAL HONORS

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|--------------------------------------|---------------------------------|--------------------------------------|
| <i>Endless Mountains Festival</i> | Featured Jazz Vocalist | Endless Mountains Music Festival, PA |
| <i>Winner, Concerto Competition</i> | "Una Voce Poco Fa" | Mansfield University |
| <i>Soloist, Carnegie Hall</i> | Mansfield University Choir | Isaac Stern Auditorium, NY |
| <i>Soloist, World Choir Games</i> | Mansfield University Choir | Riga, Latvia |
| <i>NYC Jazz Festival</i> | MU Vocal Jazz Ensemble | Apollo Theatre, NY |
| <i>Collaborative Piano Recital</i> | Guest Vocalist for Hanako Henty | Mansfield University |
| <i>Winner, NATS Chapter Audition</i> | Musical Theatre Category | Mansfield University |

ACTING HONORS

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|--|---------------------------------|--|
| <i>Top 30 in Nation, Dramatic Interp.</i> | "Dance Like a Butterfly" | Natl. Speech and Debate Tournament, IN |
| <i>14th in Nation, Dramatic Interp.</i> | "Senseless" | Natl. Speech and Debate Tournament, TX |
| <i>Quarter-finalist, Humorous Interp.</i> | "Miss Polly's Institute For..." | Natl. Tournament of Champions, CA |

TRAINING

Voice: Dr. Alissa Rose

Vocal Jazz: Dr. Sheryl Monkelien, Pete McGuinness (Masterclass)

Acting: Demond Wilson (Coaching for 6 years), Rob Fisher (Masterclass)

Instrumental: Alto Saxophone (12 years experience), Piano (3 years experience)

MANSFIELD UNIVERSITY

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|---------------------------------|-----------------------------|
| <i>University Concert Choir</i> | <i>Sept. 2013—May 2016</i> |
| <i>Mansfieldians Vocal Jazz</i> | <i>Sept. 2013—May 2016</i> |
| <i>Senior Voice Recital</i> | <i>April 2, 2016</i> |
| <i>Choral and Band Clinics</i> | <i>Sept. 2015—May 2016</i> |
| <i>Chamber Singers</i> | <i>Sept. 2014—Dec. 2014</i> |
| <i>Junior Voice Recital</i> | <i>November 2, 2014</i> |

Executive Summary of Degree Proposal
Doctor of Business Administration in Business Administration
Shippensburg University of Pennsylvania
April 5-6, 2017

1) Brief Description of Program and Appropriateness to Mission

Shippensburg University's John L. Grove College of Business proposes a 54 credit-hour professional Doctor of Business Administration degree program to fill a critical need in the state and our region. The Shippensburg University Doctor of Business Administration (D.B.A.) will be the only accredited Association to Advance Collegiate Schools of Business (AACSB International) public doctorate business program within 140 miles of Shippensburg. This program meets this critical need in the Commonwealth by providing public educational opportunities for diverse students wishing to pursue a doctoral degree in business and by producing graduates with the essential skills and expertise needed by Pennsylvania businesses competing in a knowledge economy.

The proposed program is another endeavor by Shippensburg University to adapt to an "ever-changing student population." This program will attract a diverse population of students who are seeking to find a place in a developing global economy. The D.B.A. program aligns "academic programs with real workforce and personal growth needs." By preparing D.B.A. graduates, Shippensburg University will meet the regional, national, and international demand for executive practitioners, management and business consultants, and business faculty.

The proposed program's external reviewer, Dr. Danny Arnold, who has more than 24 years of experience both as faculty and administrator in doctoral granting business programs to include 27 years of experience in AACSB international accreditation activities, stated that "the John L. Grove College of Business has an excellent cadre of faculty and has been delivering high-quality business education for decades and as such is well positioned to offer the Doctor of Business Administration."

The flexible curriculum and delivery methods offered by this program will meet a variety of student learning needs. Rather than a traditional four- to six-year full-time residential Ph.D. program designed to train future faculty, the D.B.A. is designed to meet the needs of full-time working and executive-level students, and to accommodate their schedules by implementing a variety of innovative delivery methods. This D.B.A. program will "promote accessibility and affordability" by considering the widest range of qualified and capable students and by offering a program at a nationally competitive price.

The D.B.A. program explicitly aligns with the university's mission to help students work toward their *full* intellectual and social potential. This proposed D.B.A. program would allow for graduates of Shippensburg University's MBA program and other System universities to continue their advanced business education. Shippensburg has been in contact with several System business deans to discuss preferential admissions for System MBA graduates. By offering a doctoral degree in business, Shippensburg University will be poised to meet the needs of the System's most capable and ambitious business graduate students. The D.B.A. program will strengthen and maintain the university's core values of access to education, skill development, and life-long learning.

2) Need

Shippensburg University is situated in a central geographic location well-positioned to serve a large regional population. There are currently no D.B.A. programs accredited by the AACSB International offered within the State System. Shippensburg University's geographical location makes the D.B.A. program accessible within our markets. The D.B.A.

program seeks to attract a variety of potential applicants, including: recent graduates of MBA programs, mid-level managers and executives seeking career development, local and regional educators without doctorates, international students, and career-military personnel exploring a second career. This D.B.A. program will prepare graduates capable of accomplishing complex applied research activities, valued by management and business consultants.

Fifteen percent of the national labor market in consulting is within 250 miles of Shippensburg. Evidence predicts that there are thousands of well-paying consulting jobs in the Commonwealth and throughout the Mid-Atlantic region that will benefit from having personnel with D.B.A. applied research expertise.

As data-based and evidence-based management and business practices grow, there will be a demonstrable demand for internal applied research expertise. In an attempt to quantify the potential demand for internal business researchers, the number of large employers (greater than 500 employees) in the Shippensburg region was investigated. Based on U.S. Census, data there are more than 400 firms within 125 miles of Shippensburg that are likely to require internal applied business research capacity. Data from the Economic Modeling Specialists International (EMSI) also support the need for more professional doctorates in business. Additionally, in Pennsylvania the expected number of open executive positions will increase from 12,753 in 2010 to 13,583 in 2020 (6.5 percent growth). Nationwide, the number of open executive positions will increase from 286,678 in 2010 to 320,691 in 2020 (11.9 percent growth).

A D.B.A. program at Shippensburg University has the potential to recruit not only locally, regionally, and nationally, but to also attract international students seeking a high-quality accredited doctoral degree. Shippensburg University has demonstrated its ability to meet the needs of full-time international graduate students in our MBA program. Shippensburg University has a diverse, international faculty that includes native speakers of Chinese, Farsi, Korean, German, Swedish, Finnish, and Vietnamese as well as numerous multi-lingual faculty who speak other important global languages such as Spanish and French.

3) Academic Integrity

The D.B.A. program will provide students with a combination of in-class and out-of-class learning experiences. The curriculum ensures that students develop a mastery of business theory and demonstrate the capacity to conduct high-quality original applied or theoretical research. In addition, the D.B.A. curriculum provides students with two key transition courses: the first, "From Practice to Science" aids students making the adjustment to doctoral studies. This course is designed to support students as they start their doctoral program with the goal of increasing their likelihood of degree completion. Building upon the research skills gained during the first year of the program, the second transition course, "Research Colloquium" engages students in forming and developing a research question at the beginning of their second year. The goal of this course is for the student to produce a paper for submission to a refereed conference.

The D.B.A. program seeks to provide students with a rich experience outside of the classroom. Students will have the opportunity to develop deep professional relationships with one another and with faculty mentors. Given a weekend residential format, students

will have the opportunity to form lasting relationships with fellow students and faculty members. As doctoral students, D.B.A. candidates will make the critical transition from student to collaborator with their faculty mentors. Finally, the “FlagSHIP” visitor series provides a distinctive learning activity in which students will be given the opportunity to interact with national, regional, and local business leaders and academicians.

In order to earn the D.B.A. degree, students are required to complete 54 credit hours, a comprehensive exam, and a dissertation. Students will be expected to demonstrate their competence in research methods by completing a comprehensive exam prior to commencing their second year in the program. In addition, students will be required to successfully propose, execute, and defend a dissertation under the supervision of a faculty mentor and an advisory committee. The key student learning outcomes demonstrated by students include: mastery of the principles of scientific inquiry (comprehensive examination), mastery of principles of research methodology (comprehensive examination), capability to develop and plan the examination of an applied research question (final research proposal), and capability to produce rigorous intellectual output (record of publications or completion of final research project).

4) Coordination/Cooperation/Partnerships

The D.B.A. proposal has been developed recognizing the exceptional depth and breadth of business programs within the State System. At the Mid-Atlantic Association of College of Business Administration on October 27, 2016, the business deans at several State System schools gave their full support of the Shippensburg University D.B.A proposal. Letters of support from several deans are included in the full proposal. We have cooperated with State System universities in the past and after approval, Shippensburg University stands ready to collaborate with the other AACSB accredited business schools in the future. Letters of support have been provided from area corporations and economic development centers such as Volvo Construction Equipment, Pinnacle Health, Summit Health, Patriot Federal Credit Union, Boyer and Ritter (CPA and Consultants), Martin's Famous Pastry Shoppe Inc., Franklin County Area Development Corporation, and Cumberland County Area Development Corporation.

5) Assessment

The goals and objectives of this program are linked to two critical documents: AACSB International Accreditation Standards, and the John L. Grove College of Business Strategic Plan. All programs at the John L. Grove College of Business are engaged in ongoing continuous improvement activities. In accordance with AACSB standards, all programs are continuously evaluated in terms of engagement, innovation, and impact. This well-established process will be implemented in the D.B.A program. Shippensburg University's Grove College of Business has a standing Assurance of Learning Committee (AOLC) consisting of faculty members from across business disciplines. The AOLC is responsible for (1) monitoring and facilitating the development of program objectives, rubrics, metrics, and methods for assessing student achievement for each learning objective, (2) disseminating data to all stakeholders, and (3) ensuring that these results are utilized for continuous improvement.

6) Resource Sufficiency

Shippensburg University is devoting start-up funds from its Academic New Program Development fund for the first three years until the tuition and fees from the program will support the D.B.A. To be consistent with other AACSB International accredited D.B.A. programs, when a faculty member teaches a D.B.A. course, they will be eligible to receive 0.25 annualized FTEF of reassigned time to perform research in order to remain academically qualified to teach at the doctoral level. The enrollment targets for out-of-state

and international students as well as the tuition for these populations has been researched regarding market demand and will be competitive with other AACSB programs in the nation.

Prepared by: Dr. M. Blake Hargrove

Implementation date: Fall 2018

Date approved by Council of Trustees: March 31, 2017

Shippensburg University of Pennsylvania
Doctor of Business Administration in Business Administration
Budget Narrative

| ESTIMATED REVENUES | NARRATIVE/ASSUMPTIONS |
|--|--|
| ESTIMATED STUDENT IMPACT OF NEW PROGRAM | |
| Headcount Enrollment | A part-time cohort will begin each year with 20 students: ten in-state residents, six out-of-state residents, and four international students. Using an attrition rate of 5 percent each term, each cohort will have 20 students in the first year, 17 in the second and 14 students in the third year (dissertation year), with four of these students continuing with a possible fourth year (2 nd dissertation year) and 1 student continuing with a possible fifth year (3 rd dissertation year). Even though 14 students are projected to start their dissertation in each cohort, 12 are projected to complete. Therefore, the completion rate is expected to be 60 percent. See Table 2.10. |
| ESTIMATED REVENUE | |
| Tuition Generated | Shippensburg will charge a differential tuition (approved by the Chancellor) for this high-cost program of \$672/credit for Pennsylvania residents, \$1,411/credit for out-of-state students and \$1,882 for international students. Students will take 18 credits each year, thus the students will pay \$12,096, \$25,398, \$33,876 for in-state, out-of-state, and international respectively. Likewise, the total tuition for the program will be \$36,288 in-state, \$76,194 out-of-state, and \$101,628 international. |
| Instructional Support Fee | 20 percent instructional fee will be assessed on tuition plus technology tuition fee. The technology tuition fee for in-state is \$26/credit, \$38/credit for out-of-state and international students. |
| Additional Program Generated Revenue | NA |
| External Grants & Contracts | NA |
| Other | The New Academic Program Development Fund will be used to support this new program for \$66,446, \$156,436, and \$24,942 for years 1, 2, and 3 respectively. |
| ESTIMATED EXPENSES | |
| Salaries and Benefits - Faculty | The cost of a DBA course is proportional to the workload (3/2 load) of the faculty member's S+B plus the cost to backfill the reduction of the faculty member's workload from 4/3 to 3/2. The first year of the program is the academic year 2018-2019. Using the 2017-2018 pay scale in the tentative agreement with APSCUF, the average faculty member in the College of Business average salary and benefits is \$147,000 and an incoming new hire in that college being an Associate Professor step 13 has an average salary and benefits cost of \$139,000. Therefore the cost of one DBA course is $\$147,000/5 + \$139,000/7 \times 2 = \$69,115$. The program expects to offer 6 DBA courses in the first year, 6 additional courses in the second year, and dissertation in the third year. Thus, a total of 12 courses will be offered effective the beginning of year 2. For dissertation, we estimate faculty compensation based on the average salary and benefits and have budgeted \$4,165 for dissertation ($\$147,000/24 \times 0.68$). Starting in year 3, we expect there to be 14 students doing their dissertation from cohort 1 with 10 finishing that year, 4 in year 4 with 3 finishing, and 1 in year 5. This pattern will repeat with each cohort. Dissertation is paid upon completion as per the CBA. |

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|---|---|
| Salaries and Benefits (Staff, Grad Asst Stipend/ Waiver, Teaching Assistants, etc.) | The program will be supported by 0.5 FTE SCUPA/Manager (\$70,000 annual S+B) and 0.25 of existing CT2 (\$60,000 annual S+B). |
| Learning Resources | These funds include, but may not be limited to, additional library resources, software purchases, database fees, guest lecturer/scholar fees, student research grants, faculty/student research grants, academic year faculty research grants, student conference travel, and faculty conference travel. Learning resources are calculated to be \$3,000 per student. |
| Instructional Equipment | NA |
| Facilities and/or modifications | NA |
| Administrative Expense | This administrative expense is calculated as 20 percent of the in-state BOG approved tuition (\$483/credit). |
| Other (Summer research fellowship) | A summer research fellowship fund will provide summer support for dissertators and faculty mentors starting in year 3. We are budgeting \$6,500 per student in dissertation. |

Shippensburg University of Pennsylvania
Doctor of Business Administration in Business Administration
Five-Year Budget Projection

| Estimated Student Impact of New Program | Year 1 | | Year 2 | | Year 3 | | Year 4 | | Year 5 | |
|--|-----------|-----------|-------------|-----------|-------------|----------|-------------|----------|-------------|---------|
| | Existing | New | Existing | New | Existing | New | Existing | New | Existing | New |
| In-state Full-Time Headcount Enrollment | | | | | | | | | | |
| Out-of-state Full-Time Headcount Enrollment | | | | | | | | | | |
| In-state Part-Time Headcount Enrollment | | 10 | 9 | 10 | 16 | 10 | 18 | 10 | 19 | 10 |
| Out-of-state Part-Time Headcount Enrollment | | 6 | 5 | 6 | 9 | 6 | 10 | 6 | 10 | 6 |
| International Part-Time Headcount Enrollment | | 4 | 3 | 4 | 6 | 4 | 7 | 4 | 7 | 4 |
| Projected Annual Credits Generated | 360 | | 684 | | 936 | | 1008 | | 1026 | |
| | | | | | | | | | | |
| Estimated Revenue | | | | | | | | | | |
| Tuition Generated | \$408,852 | | \$746,334 | | \$1,034,226 | | \$1,117,692 | | \$1,129,788 | |
| Instructional Support Fee | \$84,168 | | \$153,684 | | \$212,940 | | \$230,112 | | \$232,632 | |
| External Grants and Contracts | | | | | | | | | | |
| Other (New Academic Program Development Fund) | | \$66,446 | | \$156,436 | | \$24,942 | | | | |
| Estimated Total Revenue | \$559,466 | | \$1,056,454 | | \$1,272,108 | | \$1,347,804 | | \$1,362,420 | |
| | | | | | | | | | | |
| Estimated Expenses | Year 1 | | Year 2 | | Year 3 | | Year 4 | | Year 5 | |
| | Existing | New | Existing | New | Existing | New | Existing | New | Existing | New |
| Salaries and benefits - Faculty | \$0 | \$414,690 | \$414,690 | \$414,690 | \$829,380 | \$58,310 | \$887,690 | \$16,660 | \$904,350 | \$4,165 |
| Salaries and/or benefits Other (staff, grad assistant stipend/waiver, teaching assistants, etc.) | \$50,000 | | \$50,000 | | \$50,000 | | \$50,000 | | \$50,000 | |
| Learning Resources | | \$60,000 | \$60,000 | \$51,000 | \$111,000 | \$42,000 | \$153,000 | \$12,000 | \$165,000 | \$3,000 |
| Instructional Equipment | | | | | | | | | | |
| New Facilities and/or Modifications to existing facilities | | | | | | | | | | |
| Administrative Expense | \$34,776 | | \$66,074 | | \$90,418 | | \$97,373 | | \$99,112 | |
| Other (Summer Research Fund) | | | | | | \$91,000 | \$91,000 | \$26,000 | \$117,000 | \$6,500 |
| Estimated Total Expenses | \$559,466 | | \$1,056,454 | | \$1,272,108 | | \$1,333,723 | | \$1,349,127 | |
| | | | | | | | | | | |
| Estimated Financial Impact of New Program | \$0 | | \$0 | | \$0 | | \$14,081 | | \$13,293 | |

Executive Summary of Degree Proposal
Doctorate of Occupational Therapy in Occupational Therapy
Slippery Rock University of Pennsylvania
April 5-6, 2017

1) Brief Description of Program and Appropriateness to Mission

Slippery Rock University seeks to initiate a Doctoral Degree in Occupational Therapy delivered face-to-face at the university's Harrisville Building in nearby Harrisville, Pennsylvania. This proposal is a product of analyses of regional and national trends, as well as the changing direction of the entry point for the profession. The proposed program's external reviewer, Dr. Thomas F. Fisher, professor and department chairman of Occupational Therapy from the School of Health and Rehabilitation Sciences at Indiana University, maintains that the doctorate is the appropriate entry degree for this high-demand field, and further notes that the program is consistent with Slippery Rock's strategic plan.

This program aligns closely with Slippery Rock's focus on health and wellness and will join the successful Doctorate of Physical Therapy. The program will be professional in nature, equipping graduates to be practitioners in the field and intelligent consumers of research. Most notably, it will leverage the success of the university's existing master's programs in related fields such as exercise science, therapeutic recreation, and athletic training. Similarly, since this program will be the only occupational therapy degree in the State System, there will be many opportunities for articulation agreements with other System institutions.

The entry-level doctoral degree in occupational therapy curriculum at Slippery Rock University is designed to be a challenging 36-month, year-round program for students who hold a bachelor's degree or participate in one of the 3+3 pre-occupational therapy undergraduate tracks within Slippery Rock University. Delivered in an on-campus, didactic learning format with off-campus field placements, the new curriculum focuses on contemporary practice using evidence-based strategies to provide students with a dynamic learning experience.

This program will be Slippery Rock's third doctorate, and the second in a clinical health field. Slippery Rock is familiar with the pedagogies and resource needs of a doctoral level program.

The program will reflect the university's mission "to provide high-quality graduate academic instruction" and "to address the educationally related...needs of the region served by the university" by developing a cost-effective program with robust assessment and working toward accreditation. As such, the new program aligns closely with the university's mission and strategic plan to educate students to achieve career success.

2) Need

The Pennsylvania Department of Aging estimates that the number Pennsylvania residents aged 65 or older is expected to continue to climb to 19 percent by 2020 and to 23 percent by 2030, for a total increase of 1 million people over 20 years. This large and growing senior population will experience longer lifetimes than ever before, with associated chronic conditions that result in impairments, disabilities, and handicaps needing to be managed for longer periods. To meet this increasing volume and duration of healthcare services, the state will need a growing healthcare labor force that includes rehabilitation providers.

Occupational therapists also provide services to children with developmental delays, injuries, or educational challenges. Occupational therapists play a significant role in educational, community, medical, and private practice settings in assessing and providing intervention aimed at children and youth who need to develop the skills required for everyday living.

According to Bureau of Labor Statistics (BLS) information, Pennsylvania has 6,480 employed occupational therapists with 1,570 listed in the Pittsburgh Metropolitan area. Similar to other healthcare occupations, the number of practitioners as a percent of the overall population is considerably lower in rural areas, such as those of northwestern Pennsylvania and northeastern Ohio. The United States Department of Health and Human Services (HRSA), which uses an algorithm to identify medically underserved areas (MUAs), designated 34 of 38 counties within approximately 150 miles of Slippery Rock as being medically underserved. If a county is medically underserved, it also lacks important health and rehabilitation services that primary healthcare providers rely upon for referrals and expertise.

The job outlook for occupational therapists has been excellent and is projected to remain that way. Demand for occupational therapists in the 150-mile region is projected to increase over the next ten years according to Economic Modeling Specialists, International (EMSI) data. Between 2016 and 2026, the occupation is projected to grow by 19 percent, which is much faster than the average of 4 percent for all occupations in the region. Every year the region will need approximately 227 qualified applicants to fill vacancies from growth or natural attrition.

3) Academic Integrity

Slippery Rock University's Doctorate in Occupational Therapy will be recognized for preparing practitioners who will use transferrable knowledge and skills in a variety of practice areas. As such, they will be committed to lifelong learning and ethical, competent, and evidence-based practice in an era of continued change and challenge, while providing personal and professional leadership to improve the world in which they live.

This vision aligns with key aspects of the vision statements developed by Slippery Rock University and the College of Health, Environment and Science. It also considers the profession of occupational therapy, including accreditation standards and specific competency areas that are unique to the training of the occupational therapist.

The program's mission is to prepare and support exceptional students to demonstrate competence, integrity, leadership, and transferrable knowledge in all areas of professional practice to heighten the participation in everyday life activities of individuals and groups in the communities in which they live.

Delivered in an on-campus, didactic learning format with off-campus field placements, the new curriculum focuses on contemporary practice using evidence-based strategies to provide students with a dynamic learning experience. All classroom and clinical learning experiences are driven by standards that are defined by the Accreditation Council for Occupational Therapy Education Section B of its Accreditation Standards for a Doctoral-Degree Level Educational Program for the Occupational Therapist. The length of this program (36 months) is consistent with other existing occupational therapy doctoral programs that can span from 32 to 41 months. The program will allow students to earn an

entry-level doctoral degree that will provide them with generalist and advanced professional practice training. Successful completion of the program will enable graduates

to sit for certification from the National Board for Certification in Occupational Therapy and licensure in the state(s) where they desire to practice.

4) Coordination/Cooperation/Partnerships

Because there are no occupational therapy programs elsewhere in the System, collaboration will occur primarily through the admissions process. This proposed program will give other System schools priority in the admission process, similar to Slippery Rock undergraduates.

Outside of the System, a collaborative relationship is in development with the Occupational Therapy Assistant Program at the Community College of Allegheny County/Boyce Campus in Monroeville, Pennsylvania. Such partnerships are endorsed by the Accreditation Council of Occupational Therapy Education and will involve occupational therapy program directors from both institutions allowing their students to meet in learning environments either in Slippery Rock or Monroeville. This will allow occupational therapy and occupational therapy assistant students to learn directly from one another what their education involves and what they are instructed regarding their roles in the occupational therapy process with clients.

5) Assessment

Program and course data collected annually will be analyzed for key strengths and weaknesses and will be triangulated with student evaluations of instruction, faculty self-assessment of teaching performance and program director evaluations of faculty as per the university collective bargaining agreement. Results from collective data sources will be analyzed, and the faculty will make the necessary adjustments to the curriculum and pedagogical methods. Program faculty will submit annual progress reports to the program accreditor as well as annual Student Learning Outcome Assessment Reports to Slippery Rock University's Assessment Committee. Any feedback or responses will be integrated into curricular changes in addition to informing the strategic planning process at the program, college, and university levels. The program's mission statement, vision statement, goals, competencies and technical standards will be examined annually to ensure each remains accurate and congruent with the University and College's missions, visions, goals, and strategic plans.

6) Resource Sufficiency

The Occupational Therapy Program will be housed in the Harrisville Building, an additional location about seven miles from campus that now holds Slippery Rock's Physician Assistant Program. The program will require seven full-time faculty members and several adjuncts when fully operational in 2020-2021. A full-time office manager will begin in late Fall 2017 with a second full-time office position to assist with fieldwork beginning in Spring 2018. The University's Program Investment Reserve Account will be utilized to fund start-up costs until expected profit is achieved in year three of the program in 2020-2021.

Prepared by: Dr. Jeffrey Loveland, Associate Professor and program director

Implementation date: June 2018

Date approved by Council of Trustees: March 24, 2017

Slippery Rock University of Pennsylvania
Doctorate of Occupational Therapy in Occupational Therapy
Budget Narrative

| ESTIMATED REVENUES | NARRATIVE/ASSUMPTIONS |
|--|--|
| ESTIMATED STUDENT IMPACT OF NEW PROGRAM | |
| Headcount Enrollment | The Doctorate in Occupational Therapy (OTD) program enrollment projections are based upon 28 full-time in-state and 2 full-time out-of-state students in the first year. The program will enroll 31 new in-state and 4 new out-of-state full-time students each year starting in year two. The first cohort will enroll in Summer 2018. Each full-time student will complete 44 credit hours in year one, 44 credit hours in year two and 27 credit hours in year three. The length of the program is 36 months. The persistence rate is 96 percent based upon rates from the Doctorate in Physical Therapy program. |
| ESTIMATED REVENUE | |
| Tuition Generated | The tuition is based on the current approved in-state and out-of-state graduate tuition rates. During the first and second years of the program, students will enroll in 10 credit hours for the summer session, 16 credit hours for fall and 18 credit hours for the spring semester. The third year (clinical year) of the program requires enrollment in nine credit hours for the summer session and nine credit hours for the fall and spring semesters. |
| Instructional Support Fee | The Slippery Rock University (SRU) Academic Enhancement fee, approved by the Council of Trustees for graduate students is 15 percent of graduate tuition. |
| Additional Program Generated Revenue | |
| External Grants & Contracts | No grants or external contracts are anticipated at this time. |
| Other | <p>The new program investment fund will be used to offset the start-up costs of the program totaling \$1,432,202.</p> <p>All students will be assessed a \$2,500 clinical fee during the third (clinical) year. The clinical fee provides payment to clinical site facilities, a cost that may average \$241 per week per student. This fee aligns with the clinical fees charged by the Physician Assistant Program.</p> |
| ESTIMATED EXPENSES | |
| Salaries and Benefits - Faculty | The Doctorate in Occupational Therapy will employ a program director on an annualized contract at Associate Step 11. Two full-time faculty members with a 12 week summer contract will be hired at Assistant Step 10 in year one. Two additional full-time faculty members with a 12 week summer contract |

| | |
|--|--|
| | <p>will be hired in year two at Assistant Step 10. In year three, two new faculty members will be hired at Assistant Step 10 with a 12 week summer contract. In addition, an existing .25 FTE faculty member (Assistant Step 10) will teach a four credit hour course in the program each academic year and a four credit hour summer course.</p> <p>Temporary faculty at Instructor Step 1 will teach one credit hour in year one and will increase to 15 credit hours per academic year starting in year two.</p> <p>Academic year salary and benefit costs were pulled from PBM-FY 2018. All faculty salary costs reflect the current APSCUF contract expiring June 30, 2018.</p> |
| Salaries and Benefits (Staff, Grad Assistant Stipend/ Waiver, Teaching Assistants, etc.) | Two new full-time clerk typist positions (CT3 - Step 1) will be required to support the program; both positions will start in year one. Salary and fringe benefit costs were pulled from PBM-FY 2018 and 2019. |
| Learning Resources | All years include the following instructional expense categories: operating expenses (\$95,000), library acquisitions (\$20,000) and marketing (\$10,000). In year three, clinical site expenses are budgeted at \$70,000 per year and increase to \$82,500 in year four. |
| Instructional Equipment | Instructional equipment is budgeted at \$25,000 per year starting in year two. Start-up equipment expenses are projected to total \$96,453 in year one. |
| Facilities and/or modifications | Facilities renovation costs to meet the specialized needs of the program are projected to total \$1,000,000 in year one and \$210,080 in year two. Facilities renovation costs include the construction of two program specific learning environments and office space. In addition, facilities furnishings are projected to cost \$153,500. The program will also share space with the Physician Assistant Studies program at the Harrisville location. |
| Administrative Expense | 20% of tuition and instructional support fees. |
| Other | Accreditation Council for Occupational Therapy Education (ACOTE) related expenses. |

**Slippery Rock University of Pennsylvania
Doctorate of Occupational Therapy in Occupational Therapy
Five-Year Budget Projection**

| Estimated Student Impact of New Program | Year 1 | | Year 2 | | Year 3 | | Year 4 | | Year 5 | |
|--|-------------|-------------|-------------|-----------|-------------|-----------|-------------|----------|-------------|-----|
| | Existing | New | Existing | New | Existing | New | Existing | New | Existing | New |
| In-state Full-Time Headcount Enrollment | | 28 | 27 | 31 | 56 | 31 | 59 | 31 | 59 | 31 |
| Out-of-state Full-Time Headcount Enrollment | | 2 | 2 | 4 | 6 | 4 | 8 | 4 | 8 | 4 |
| In-state Part-Time Headcount Enrollment | | | | | | | | | | |
| Out-of-state Part-Time Headcount Enrollment | | | | | | | | | | |
| Projected Annual Credits Generated | 1320 | | 2816 | | 3792 | | 3927 | | 3927 | |
| Estimated Revenue | | | | | | | | | | |
| Tuition Generated | \$658,856 | | \$1,424,016 | | \$1,929,788 | | \$2,008,061 | | \$2,008,061 | |
| Instructional Support Fee | \$98,828 | | \$213,602 | | \$289,468 | | \$301,209 | | \$301,209 | |
| External Grants and Contracts | | | | | | | | | | |
| Other | \$1,432,202 | | | | | \$70,000 | \$70,000 | \$12,500 | \$82,500 | |
| Estimated Total Revenue | \$2,189,886 | | \$1,637,618 | | \$2,289,256 | | \$2,391,770 | | \$2,391,770 | |
| Estimated Expenses | Year 1 | | Year 2 | | Year 3 | | Year 4 | | Year 5 | |
| | Existing | New | Existing | New | Existing | New | Existing | New | Existing | New |
| Salaries and benefits - Faculty | | \$517,187 | \$517,187 | \$280,011 | \$797,198 | \$293,524 | \$1,090,722 | \$0 | \$1,090,722 | \$0 |
| Salaries and/or benefits Other (staff, grad assistant stipend/waiver, teaching assistants, etc.) | | \$138,209 | \$138,209 | | \$138,209 | | \$138,209 | | \$138,209 | |
| Learning Resources | | \$125,000 | \$125,000 | | \$125,000 | \$70,000 | \$195,000 | \$12,500 | \$207,500 | |
| Equipment | | \$96,453 | \$25,000 | | \$25,000 | | \$25,000 | | \$25,000 | |
| New Facilities and/or Modifications to existing facilities | | \$1,153,500 | \$210,080 | | | | | | | |
| Administrative Expense | \$151,537 | | \$327,524 | | \$443,851 | | \$461,854 | | \$461,854 | |
| Other - Accreditation | | \$8,000 | \$8,000 | | \$8,000 | | \$8,000 | | \$8,000 | |
| Estimated Total Expenses | \$2,189,886 | | \$1,631,011 | | \$1,900,783 | | \$1,931,285 | | \$1,931,285 | |
| Estimated Financial Impact of New Program | \$0 | | \$6,607 | | \$388,474 | | \$460,485 | | \$460,485 | |

Office of Internal Audit and Risk Assessment Fiscal Year 2016/17 – Third Quarter Update

Summary

The Office of Internal Audit and Risk Assessment's (OIARA) fiscal year 2016/17 work plan defines 30 individual projects. Additionally, eight engagements ongoing as of June 30, 2016, carried forward providing 38 potential initiatives for completion in the current fiscal year.

During the third quarter, five reports were issued supporting OIARA completed engagements and nine projects are currently underway. Separately, quarterly activity of the State System's Incident Reporting System provided receipt of 17 new case reports.

Cumulatively at the conclusion of the third quarter of fiscal year 2016/17, all of the prior year's eight carry-over engagements and six of the 30 current work plan projects have concluded. Additionally, two special projects were requested and completed, supplementing defined work plan engagements. Project work is underway supporting nine additional work plan engagements. Of note, an auditor resigned in January 2017, impacting the number of anticipated engagements that were actually completed during the third quarter. A search is presently underway to staff this vacancy.

Projects Completed Third Quarter Fiscal Year 2016/17

The OIARA accomplished favorable progress in meeting defined initiatives supporting the department's fiscal year work plan. The following five engagements concluded providing management with 14 recommendations to enhance operations and/or increase internal controls.

| University | Project | Report Issued |
|--------------------------|---------------------------------|---------------|
| Cheyney | Registrar Functions | March 2017 |
| Clarion | Protection of Minors | January 2017 |
| Edinboro | NCAA Agreed-upon Procedures | January 2017 |
| Shippensburg | Presidential Transition Review* | March 2017 |
| Office of the Chancellor | IT User Access | March 2017 |

* Denotes Non-Work Plan, Fiscal Year 2016/17 Special Project Engagement

Projects Underway at Close of Third Quarter Fiscal Year 2016/17

At the close of the third quarter, project work remained underway on the following seven individual engagements and two continuous audit reviews.

| University | Project | Project Status |
|--------------------------|---|----------------------|
| Bloomsburg | Campus Safety/Security | Draft Report Issued |
| California | Physical Access Management | Draft Report Issued |
| East Stroudsburg | Physical Access Management | Fieldwork Completed |
| Indiana | Procurement Authority | Fieldwork Underway |
| Mansfield | Protection of Minors | Fieldwork Planning |
| Millersville | Jeanne Clery Act Compliance | Draft Report Writing |
| Slippery Rock | Textbook Management | Fieldwork Planning |
| Office of the Chancellor | System-wide Employee Separations* | Fieldwork Underway |
| Office of the Chancellor | Purchasing Card (3 rd Quarter Activity)* | Fieldwork Underway |

* Denotes Continuous Audit Engagements

Other Third Quarter Activities

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

During the third quarter of fiscal year 2016/17, 24 prior period audit report recommendations were reviewed with university and/or Office of the Chancellor leadership verifying implementation of appropriate corrective actions in response to recommendations supportive of previously concluded audit engagements. This formalized process of prior audit report recommendation follow-up brings closure to the internal audit engagement cycle.

- **State System Incident Reporting System**

Concerns of employees, students, and others within the university communities regarding matters of wrongdoing are important; therefore, the State System maintains an active Incident Reporting System as a means to confidentially identify situations believed to be inappropriate. During the third quarter of fiscal year 2016/17, 17 new case reports were received through the Incident Reporting System as of March 26, 2017.

- **Fiscal Year 2017/18 Risk Assessment Audit Planning Questionnaire**

Supporting fiscal year 2017/18 internal audit engagement planning, a risk assessment questionnaire was developed by the OIARA and reviewed by the Audit Committee. The questionnaire is anticipated for distribution to System university leadership for completion early in the fourth quarter of fiscal year 2016/17. The intent is to assess leaderships' current risk perspective, evaluate changes in university operations, and seek input regarding important projects supporting university specific internal audit planning.

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

WHEREAS, the State System of Higher Education of the Commonwealth of Pennsylvania (the “System”) desires that the Pennsylvania Higher Educational Facilities Authority (the “Authority”) issue its State System Revenue Bonds in one or more series of taxable or tax-exempt bonds (the “Bonds”) to finance up to \$41.5 million of project cash to pay the costs of (1) renovation of academic and athletic facilities at Indiana University of Pennsylvania; (2) renovation of academic facilities at Slippery Rock University of Pennsylvania; (3) construction of a guaranteed energy savings act (“GESA”) project at Slippery Rock University of Pennsylvania; (4) construction of a parking structure at West Chester University of Pennsylvania; and (5) contingency and issuance costs (the “Projects”); and

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

WHEREAS, the System may make expenditures relating to clauses (1) through (5) of the definition of the Projects contained above prior to issuance of the Bonds, and the System desires to preserve the ability to reimburse itself with proceeds of the Bonds for any amounts expended for the Projects; and

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

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

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

NOW, THEREFORE, BE IT RESOLVED, that the Board of Governors of the System (the “Board”) hereby approves the issuance of the Bonds by the Authority, in an amount in project cash not to exceed \$41.5 million for the bonds, the proceeds of which will be used to undertake the Projects and pay the costs of issuance of the Bonds; and be it

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

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

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

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

Secretary to the Board

Chairman of the Board

Date

Pennsylvania's State System of Higher Education
Taxable/Tax-Exempt Bond Issue History

April 2017

Current Debt Structure

Pennsylvania's State System of Higher Education

Bond Issues

The Series A bonds were issued July 23, 1985, for a par value of \$31.0 million to finance the Indiana University of Pennsylvania cogeneration plant. Scheduled amortization started in June 1988, and was to run through June 1994. Serial interest rates ranged from 6.50 percent to 8.20 percent.

The Series B bonds were issued June 25, 1986, for a par value of \$26.0 million to finance 47 capital projects System-wide. Scheduled amortization started in June 1987 and concluded in June 1994. Serial interest rates ranged from 4.60 percent to 7.10 percent. Series B bonds called for a debt service reserve fund of \$3.9 million to be used to pay the last principal and interest payment. This fund earned an interest rate higher than the cost of borrowing, resulting in realized investment income of \$1 million. Universities with projects that participated in the bond issue received a prorated share of the debt service reserve fund investment income. The Series B issue allowed refinancing of existing capital leases for a savings of \$1.2 million. Also, by financing capital projects, the universities could invest the operating capital in the Short-Term Investment Fund at an interest rate higher than the financing cost, providing investment income and flexibility.

The Series C bonds were issued July 29, 1987, for a par value of \$38.2 million to finance residence halls at Bloomsburg and Kutztown Universities of Pennsylvania and to refund the Series A bonds. Serial interest rates ranged from 4.40 percent to 7.60 percent.

The Series D bonds were issued July 28, 1990, for a par value of \$58.8 million to finance student unions at Clarion, Lock Haven, and Shippensburg Universities of Pennsylvania, and a residence hall at West Chester University of Pennsylvania. This bond issue also provided refinancing of State System internal loans for interest savings of \$1.3 million. The Series D bonds launched the Reimbursement Program, which provided \$17.7 million of capital financing. Serial interest rates ranged from 5.90 percent to 7.15 percent.

The Series E bonds were issued June 27, 1991, for a par value of \$54.8 million to finance student unions at Bloomsburg, California, Clarion, East Stroudsburg, Edinboro, Kutztown, Lock Haven, Millersville, and Shippensburg Universities of Pennsylvania, and a residence hall at West Chester University of Pennsylvania. This bond issue included \$12.3 million of capital reimbursement bonds. Serial interest rates ranged from 4.70 percent to 7.10 percent.

The Series F bonds were issued December 15, 1992, for a par value of \$35.2 million to finance student unions, energy conservation equipment, and the renovation of dining halls at various State System universities. This bond issue provided \$19 million of capital reimbursement bonds. Serial interest rates ranged from 2.70 percent to 6.15 percent.

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

The Series H bonds were issued May 18, 1993, for a par value of \$15.9 million to finance a computer purchase and energy conservation equipment at various State System universities.

This bond issue provided \$13.6 million of capital reimbursement bonds. Serial interest rates ranged from 2.70 percent to 5.80 percent.

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

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

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

The Series L bonds were issued July 14, 1994, for a par value of \$45.9 million to finance a recreation center, computer equipment, student housing, and student unions at various State System universities. This bond issue provided \$26.8 million of capital reimbursement bonds. Serial interest rates ranged from 3.75 percent to 6.30 percent.

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

The Series N bonds were issued April 2, 1996, for a par value of \$44.5 million to finance construction of a recreation center at Mansfield University of Pennsylvania, renovation of a residence hall at Kutztown University of Pennsylvania and a dining hall at Indiana University of Pennsylvania, installation of a campus-wide fiber-optic network at California University of Pennsylvania, and installation of a PBX phone system at Millersville University of Pennsylvania. This bond issue provided \$30.5 million of capital reimbursement bonds. Serial interest rates ranged from 3.65 percent to 5.85 percent.

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

The Series P bonds were issued February 25, 1998, for a par value of \$72.9 million to refund a portion of the Series F bonds and a portion of the Series L bonds maturing on and after

December 15, 2002, and June 15, 2004, respectively. This refunding issue provided present value savings of \$3.9 million to the State System. Serial interest rates ranged from 3.50 percent to 4.40 percent.

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

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

The Series S bonds were issued June 21, 2000, for a par value of \$51.7 million to finance the design and construction of on-campus apartments at Bloomsburg University of Pennsylvania; design and construction of renovations and additions to the dining accommodations and student union facilities at Kutztown University of Pennsylvania; renovations of student union facilities at California University of Pennsylvania; design and renovation of academic facilities at System universities; purchase and installation of computer and telecommunications equipment at Bloomsburg, Edinboro, and Slippery Rock Universities of Pennsylvania; and purchase of lab equipment at Mansfield University of Pennsylvania. Serial interest rates ranged from 4.54 percent to 5.81 percent.

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

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

The Series V bonds were issued August 8, 2002, for a par value of \$25.2 million to finance the acquisition and installation of residence hall sprinklers at all the universities and the continued

implementation of the shared administrative computer system. This was the System's first variable rate issue, with terms of 20 years for the sprinklers and 7 years for the shared administrative computer system. Weekly resets of interest rates and monthly payments of interest were established for this issue.

The Series W bonds were issued October 15, 2002, for a par value of \$69.1 million to refund the Series H bonds, the Series J bonds, and the Series M bonds. This refunding issue provided present value savings of \$3.8 million to the State System. Serial interest rates ranged from 1.70 percent to 4.41 percent.

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

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

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

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

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

The Series AC bonds were issued July 7, 2005, for a par value of \$52.7 million to finance auxiliary facilities renovations and construction at Bloomsburg, Cheyney, Edinboro, Indiana, Kutztown, Millersville, and Shippensburg Universities of Pennsylvania; academic facilities

renovations and general campus improvements at California, Cheyney, Indiana, Kutztown, Shippensburg, and Slippery Rock Universities of Pennsylvania; network equipment upgrade at Clarion University of Pennsylvania; continued installation of fire alarm systems at Indiana University of Pennsylvania; and property acquisitions at East Stroudsburg University of Pennsylvania. Serial interest rates ranged from 2.66 percent to 4.50 percent.

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

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

The Series AF bonds were issued July 10, 2007, for a par value of \$68.2 million to finance auxiliary facilities renovations and construction at California, Clarion, East Stroudsburg, Kutztown, Shippensburg, and West Chester Universities of Pennsylvania; Academic Facilities Renovation Program and other academic facilities at East Stroudsburg, Indiana, and Kutztown Universities of Pennsylvania; and energy savings improvements at East Stroudsburg and West Chester Universities of Pennsylvania. Serial interest rates ranged from 3.80 percent to 4.60 percent.

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

The Series AH bonds were issued July 17, 2008, for a par value of \$140.8 million to finance auxiliary facilities renovations and construction at Bloomsburg, California, Kutztown, Millersville, Shippensburg, Slippery Rock, and West Chester Universities of Pennsylvania; academic facilities at California, East Stroudsburg, Kutztown, and Millersville Universities of Pennsylvania; and energy savings improvements at Bloomsburg, Cheyney, Lock Haven, Mansfield, Millersville, and Slippery Rock Universities of Pennsylvania. Serial interest rates range from 1.75 percent to 4.77 percent.

The Series AI bonds were issued August 7, 2008, for a par value of \$32.1 million to refund the System's variable rate bonds: the Series V bonds, the Series Y bonds, the Series AB bonds, and the Series AD bonds. Serial interest rates range from 2.00 percent to 4.66 percent.

The Series AJ bonds were issued July 9, 2009, for a par value of \$124.0 million to finance auxiliary facilities renovations and construction at Bloomsburg, California, Kutztown, Millersville, Shippensburg, Slippery Rock, and West Chester Universities of Pennsylvania; academic facilities at California, East Stroudsburg, Kutztown, and Millersville Universities of Pennsylvania; and energy savings improvements at Bloomsburg, Cheyney, Lock Haven, Mansfield,

Millersville, and Slippery Rock Universities of Pennsylvania. Serial interest rates range from 0.49 percent to 5.17 percent.

The Series AK bonds were issued September 3, 2009, for a par value of \$47.3 million to refund the Series R bonds and the Series S bonds. The refunding issue provided a present value savings of \$4.8 million to the State System. Serial interest rates range from 0.70 percent to 4.00 percent.

The Series AL bonds were issued July 8, 2010, for a par value of \$135.4 million to finance auxiliary facilities renovation and construction at Bloomsburg, Mansfield, Millersville, Shippensburg, Slippery Rock, and West Chester Universities of Pennsylvania; academic facilities renovation and construction at California, East Stroudsburg, Edinboro, Indiana, Kutztown, Millersville, and Shippensburg Universities of Pennsylvania; and student information systems purchase and implementation at California, Clarion, East Stroudsburg, Shippensburg, and Slippery Rock Universities of Pennsylvania. Serial interest rates range from 0.4 percent to 4.50 percent.

The Series AM bonds were issued July 12, 2011, for a par value of \$119.1 million to finance auxiliary facilities renovation and construction at Bloomsburg, Indiana, Lock Haven, Millersville, Shippensburg, Slippery Rock, and West Chester Universities of Pennsylvania; academic facilities renovation and construction at California, East Stroudsburg, and Millersville Universities of Pennsylvania; and student information systems purchase and implementation at East Stroudsburg University of Pennsylvania. Serial interest rates range from 0.27 percent to 4.64 percent.

The Series AN bonds were issued March 20, 2012, for a par value of \$76.8 million to refund the Series U bonds, the Series W bonds, and the Series X bonds. The refunding issue provided a present value savings of \$13.8 million to the State System. Serial interest rates range from 0.25 percent to 2.22 percent.

The Series AO bonds were issued July 8, 2013, for a par value of \$30.9 million to finance (taxable) auxiliary facilities renovation and construction at Indiana University of Pennsylvania; and (tax-exempt) academic facilities renovation and construction at California and Mansfield Universities of Pennsylvania. Taxable serial interest rates range from 0.80 percent to 5.20 percent, and tax-exempt serial interest rates range from 0.28 percent to 4.66 percent.

The Series AP bonds were issued May 7, 2014, for a par value of \$46.1 million to refund the Series Z bonds and the Series AA bonds. The refunding provided a present value savings of \$5.8 million to the State System. Serial interest rates range from 0.30 percent to 2.65 percent.

The Series AQ bonds were issued on May 7, 2015, for a par value of \$95.0 million to current refund the Series AC bonds and advance refund the Series AE bonds. The refunding provided a present value savings of \$9.1 million to the State System. Serial interest rates range from 0.45 percent to 3.84 percent.

The Series AR bonds were issued September 10, 2015, for a par value of \$102.4 million to finance auxiliary facilities renovation and construction at Bloomsburg, California, and Millersville Universities of Pennsylvania; the upgrade of a steam plant at Bloomsburg University of Pennsylvania; and the purchase by California University of Pennsylvania of on-campus student housing from Student Association, Incorporated.

The Series AS bonds were issued June 7, 2016, for a par value of \$47.3 million to advance refund the Series AF bonds. The refunding provided a present value savings of \$7.5 million to the State System. Serial interest rates range from 0.70 percent to 3.22 percent.

The Series AT bonds were issued September 7, 2016, for a par value of \$298.1 million to finance (taxable) auxiliary facilities renovation and construction at Indiana University of Pennsylvania, and (tax-exempt) renovation of an academic facility at Slippery Rock University of Pennsylvania, upgrade of information technology infrastructure at Slippery Rock University of Pennsylvania, upgrade of the steam plant at Bloomsburg University of Pennsylvania, construction of student housing facilities at Bloomsburg University of Pennsylvania, acquisition of student housing at Lock Haven University of Pennsylvania from Lock Haven University Foundation, acquisition of student housing at Edinboro University of Pennsylvania from Edinboro University Foundation, and acquisition of student housing at Mansfield University of Pennsylvania from Mansfield Auxiliary Corporation.

Of the original \$2.8 billion principal amount issued, through principal repayment and refunding of bond issues, approximately \$1.1 billion is outstanding as of March 1, 2017.

Pennsylvania's State System of Higher Education Bond Issue History

| Issue | True Interest Cost | Originally Issued | Original BP Issue | Principal Paid Through 3/1/17 | Balance Remaining on PASSHE's Books 3/1/17 |
|--------------------------|--------------------|--------------------|------------------------|-------------------------------|--|
| Series A | 7.99% | July 23, 1985 | \$31,000,000 | \$31,000,000 | \$0 |
| Series B | 6.67% | June 25, 1986 | 25,990,000 | 25,990,000 | 0 |
| Series C | 6.78% | July 29, 1987 | 38,240,000 | 38,240,000 | 0 |
| Series D | 7.19% | July 28, 1990 | 58,800,000 | 58,800,000 | 0 |
| Series E | 6.93% | June 27, 1991 | 54,845,000 | 54,845,000 | 0 |
| Series F | 5.97% | December 15, 1992 | 35,210,000 | 35,210,000 | 0 |
| Series G | 5.97% | December 15, 1992 | 14,170,000 | 14,170,000 | 0 |
| Series H | 5.54% | May 18, 1993 | 15,940,000 | 15,940,000 | 0 |
| Series I | 5.54% | May 18, 1993 | 61,425,000 | 61,425,000 | 0 |
| Series J | 5.49% | March 16, 1994 | 28,285,000 | 28,285,000 | 0 |
| Series K | 5.49% | March 16, 1994 | 55,430,000 | 55,430,000 | 0 |
| Series L | 6.20% | July 14, 1994 | 45,855,000 | 45,855,000 | 0 |
| Series M | 5.93% | March 14, 1995 | 35,395,000 | 35,395,000 | 0 |
| Series N | 5.86% | April 2, 1996 | 44,455,000 | 44,455,000 | 0 |
| Series O | 5.37% | June 25, 1997 | 46,745,000 | 46,745,000 | 0 |
| Series P | 4.97% | February 25, 1998 | 72,880,000 | 72,880,000 | 0 |
| Series Q | 4.76% | June 30, 1998 | 22,675,000 | 22,675,000 | 0 |
| Series R | 5.01% | June 17, 1999 | 31,050,000 | 31,050,000 | 0 |
| Series S | 5.49% | June 21, 2000 | 51,720,000 | 51,720,000 | 0 |
| Series T | 4.66% | July 12, 2001 | 69,555,000 | 69,555,000 | 0 |
| Series U | 4.30% | August 8, 2002 | 14,400,000 | 14,400,000 | 0 |
| Series V | Variable | August 8, 2002 | 25,200,000 | 25,200,000 | 0 |
| Series W | 4.31% | October 15, 2002 | 69,105,000 | 69,105,000 | 0 |
| Series X | 3.32% | May 29, 2003 | 80,910,000 | 80,910,000 | 0 |
| Series Y | Variable | June 19, 2003 | 25,350,000 | 25,350,000 | 0 |
| Series Z | 3.88% | March 17, 2004 | 71,760,000 | 71,760,000 | 0 |
| Series AA | 4.45% | July 8, 2004 | 28,750,000 | 28,750,000 | 0 |
| Series AB | Variable | July 8, 2004 | 20,970,000 | 20,970,000 | 0 |
| Series AC | 4.14% | July 7, 2005 | 52,650,000 | 52,650,000 | 0 |
| Series AD | Variable | July 7, 2005 | 7,310,000 | 7,310,000 | 0 |
| Series AE | 4.57% | July 6, 2006 | 103,290,000 | 103,290,000 | 0 |
| Series AF | 4.66% | July 10, 2007 | 68,230,000 | 68,230,000 | 0 |
| Series AG | 3.97% | March 27, 2008 | 101,335,000 | 53,190,000 | 48,145,000 |
| Series AH | 4.43% | July 17, 2008 | 140,760,000 | 30,410,000 | 110,350,000 |
| Series AI | 4.13% | August 7, 2008 | 32,115,000 | 14,145,000 | 17,970,000 |
| Series AJ | 4.37% | July 9, 2009 | 123,985,000 | 28,780,000 | 95,205,000 |
| Series AK | 3.15% | September 3, 2009 | 47,310,000 | 22,775,000 | 24,535,000 |
| Series AL | 3.72% | July 8, 2010 | 135,410,000 | 60,990,000 | 74,420,000 |
| Series AM | 4.00% | July 12, 2011 | 119,085,000 | 19,535,000 | 99,550,000 |
| Series AN | 1.54% | March 20, 2012 | 76,810,000 | 13,680,000 | 63,130,000 |
| Series AO-1 (Tax-Exempt) | 4.20% | July 8, 2013 | 12,340,000 | 1,040,000 | 11,300,000 |
| Series AO-2 (Taxable) | 4.73% | July 8, 2013 | 18,575,000 | 1,995,000 | 16,580,000 |
| Series AP | 2.34% | May 7, 2014 | 46,110,000 | 5,625,000 | 40,485,000 |
| Series AQ | 2.88% | May 7, 2015 | 94,975,000 | 1,880,000 | 93,095,000 |
| Series AR | 3.71% | September 10, 2015 | 102,365,000 | 1,820,000 | 100,545,000 |
| Series AS | 2.63% | June 7, 2016 | 47,280,000 | 0 | 47,280,000 |
| Series AT (Tax-Exempt) | 3.00% | September 7, 2016 | 279,050,000 | 0 | 279,050,000 |
| Series AT (Taxable) | 3.03% | September 7, 2016 | 19,060,000 | 0 | 19,060,000 |
| | | | <u>\$2,804,155,000</u> | <u>\$1,663,455,000</u> | <u>\$1,140,700,000</u> |

**State System of Higher Education
Proposed 2017 Bond Issue Summary**

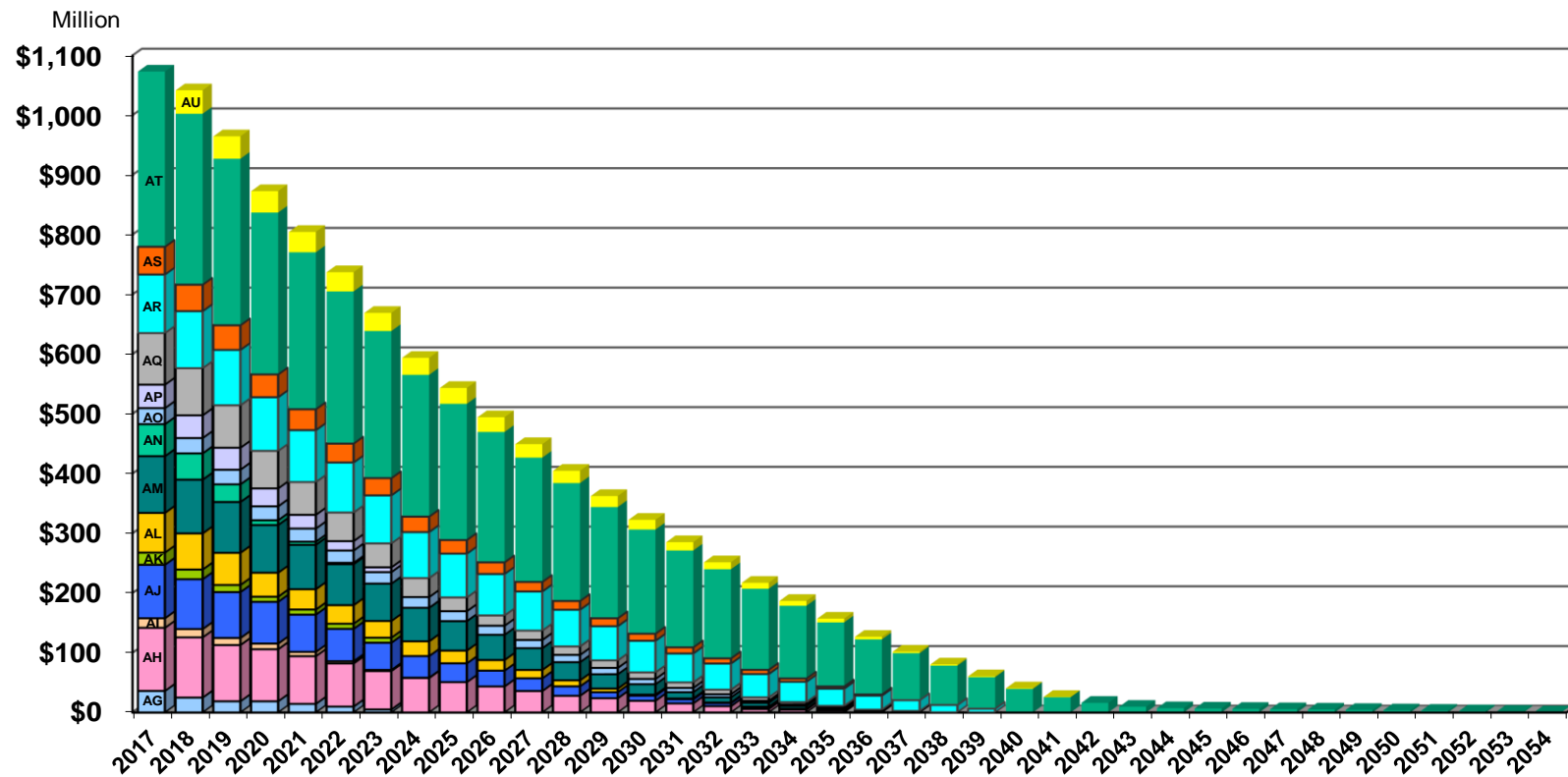
Tax-Exempt Bond Issue

| Project | Type | Term (Years) | BOG Approved | Amount |
|---|-------------|-------------------------|-------------------------|----------------------------|
| Indiana Elkin Hall Improvements | E&G | 20 | July 2016 | \$2,800,000 |
| Indiana Miller Stadium Renovations | E&G | 15 | July 2016 | 2,500,000 |
| Slippery Rock Bailey Library Renovations | E&G | 15 | April 2016 | 5,500,000 |
| Slippery Rock Behavioral Sciences Building Renovation | E&G | 20 | April 2016 | 5,200,000 |
| Slippery Rock GESA Project | E&G | 20 | July 2016 | 15,400,000 |
| West Chester The Commons (Parking) | Auxiliary | 25 | January 2017 | 9,000,000 |
| Contingency and Issuance Costs at 1.5% | | | | <u>606,000</u> |
| Total Tax-Exempt Debt Issue | | | | <u><u>\$41,006,000</u></u> |

System Debt Outstanding by Bond Issue

Fiscal Years Ending 2017–2054

Including Proposed Series



Bond Series Indicated by Letter

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

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

WHEREAS, the Board of Governors of the System (the "Board") has determined that it is desirable to authorize the chancellor to proceed with the issuance of the Refunding Bonds when market conditions permit, as long as the net present value savings on the Refunding Bonds equal or exceed 4 percent, and this authorization expires June 30, 2018; and

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes the chancellor to proceed with issuance of the Refunding Bonds by the Authority when market conditions permit, provided that the net present value savings on the Refunding Bonds equal or exceed 4 percent; and that this authorization will expire June 30, 2018; and be it

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

RESOLVED, that the Board hereby authorizes pledging the System's full faith and credit to repayment of the Refunding Bonds, as provided in the Loan Agreement, and hereby does authorize and directs the chancellor or vice chancellor for administration and finance to execute, acknowledge, and deliver, and any Responsible Officer, as defined in the Indenture, to attest

such signature to a supplement to the Loan Agreement in such form as the officers executing it may approve, such approval to be conclusively evidenced by execution thereof; and be it RESOLVED, that any Responsible Officer is hereby authorized and empowered to approve the content of the Preliminary Official Statement and the Official Statement of the Authority relating to issuance of the Refunding Bonds as to information concerning the System and its affairs; and be it

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

Secretary to the Board

Chairman of the Board

Date

**Request for Continuance of Alternative Pricing Strategy
California University of Pennsylvania
Global Online Tuition for Veteran and Eligible Dependents**

Background

California University of Pennsylvania has a longstanding relationship with GoArmy to provide education to military students. To remain competitive and increase the university's market share, California University needed to provide affordable, competitive rates to this market segment. The university's undergraduate in-state tuition per-credit rate of \$276 was higher than the Military Tuition Assistance (TA) payment of \$250 per credit. For the fall 2016, the System's base per-credit tuition rate was increased to \$302, or \$52 over the TA reimbursement rate. Research indicated that many online competitors were reducing their tuition rate for active-duty military and eligible dependents to the TA reimbursement rate of \$250 per credit; therefore, to stay competitive, the university had to follow this tuition-discounting trend. Without this discount, the university was confident that it would begin to lose its share of this market segment. In addition, research indicated that the graduate per-credit rate was losing its competitive advantage. To secure the university's market share of graduate online programs provided to military students and their families, a recommendation was made to lower the university's graduate per-credit tuition rate below the traditional graduate per-credit tuition rate, to a fixed graduate per-credit tuition rate of \$399.

Active Military Original Proposal

In December 2013, California University submitted an Active Military Tuition Program proposal to the Office of the Chancellor for consideration by the Board of Governors (Board). This tuition proposal was to offer undergraduate tuition at the current Military Tuition Assistance (TA) reimbursement rate (currently \$250 per credit) and graduate tuition at a fixed rate of \$399 per credit to the following individuals enrolled in the university's Global Online Program:

- All active-duty military (Army, Navy, Air Force, Marine Corps, Coast Guard, National Guard, and Reserves).
- Dependents and spouses of active-duty members.

Prior to the tuition proposal, all active-duty and eligible dependents and spouses enrolled in the university's Global Online Programs were charged at the current in-state rate, regardless of their state residency. In January 2014, the Board approved the Active Military and Eligible Dependent Tuition Pilot proposal as a two-year pilot with an end date of August 2016.

Revised Active Military Tuition Pilot

With the Active Military Tuition Pilot scheduled to end in summer 2016, California University provided an update to the Board in spring 2016 that highlighted enrollment and revenue milestones achieved during the two-year pilot project. Due to the overall enrollment and financial success of the program, the university requested approval to continue with this pricing model and to expand the eligibility criteria to include **all veterans and eligible dependents**. This additional market segment was added to the tuition pilot in order to remain competitively priced with other reduced veteran tuition programs. Peer competitor data indicated that many of the active military tuition programs included reduced tuition rates for veterans and eligible dependents.

During their March 2016 quarterly meeting, California University's Council of Trustees overwhelmingly supported this proposal and approved adding veterans and eligible dependents to the university's Global Online Active Military Tuition Rate Pilot. In April 2016, the Board approved the continuation of the program beyond the pilot period and authorized the expansion of the program to include veterans and eligible dependents, effective for fall 2016.

Rationale for Alternative Rate Structure for Veterans and Eligible Dependents

On January 26, 2017, the Board approved amendments to the Board of Governors' Policy, 1983-18-A: *Waiver of Fees*, which allowed presidents the authority to waive certain portions of tuition for active military/dependents. With the passing of these changes, California University is able to continue with the military tuition program pricing for the Global Online active military and eligible dependents. Since the amended policy does not provide presidents the authority to waive certain portions of tuition for veterans and eligible dependents (which was authorized by the Board for California University in April 2016), California University is now requesting Board approval to establish an alternative tuition rate for these Global Online students.

This tuition proposal is to continue offering undergraduate tuition at the current Military Tuition Assistance (TA) reimbursement rate (currently \$250 per credit) and graduate tuition at a fixed rate of \$399 per credit to the following individuals enrolled in the university's Global Online Program:

- All honorably discharged veterans (Army, Navy, Air Force, Marine Corps, Coast Guard, National Guard, and Reserves).
- Dependents and spouses of eligible veterans.

Assessment

Listed below are the assessment goals established for this segment of the Active Military Tuition Pilot, as well as the achieved results for the program since implementation in the fall 2016 semester.

Enrollment

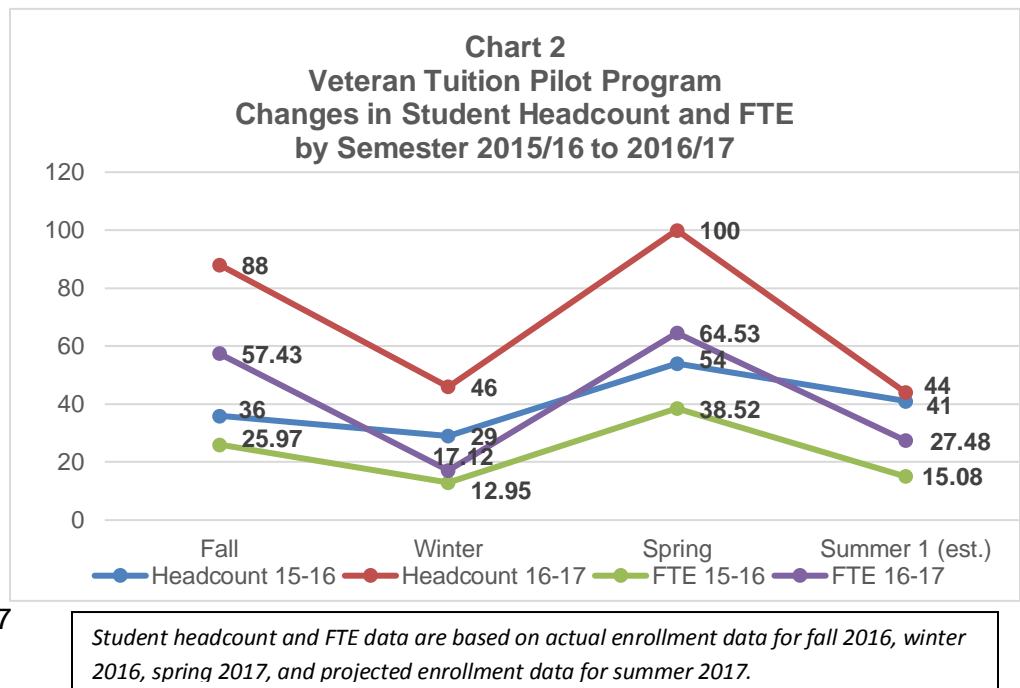
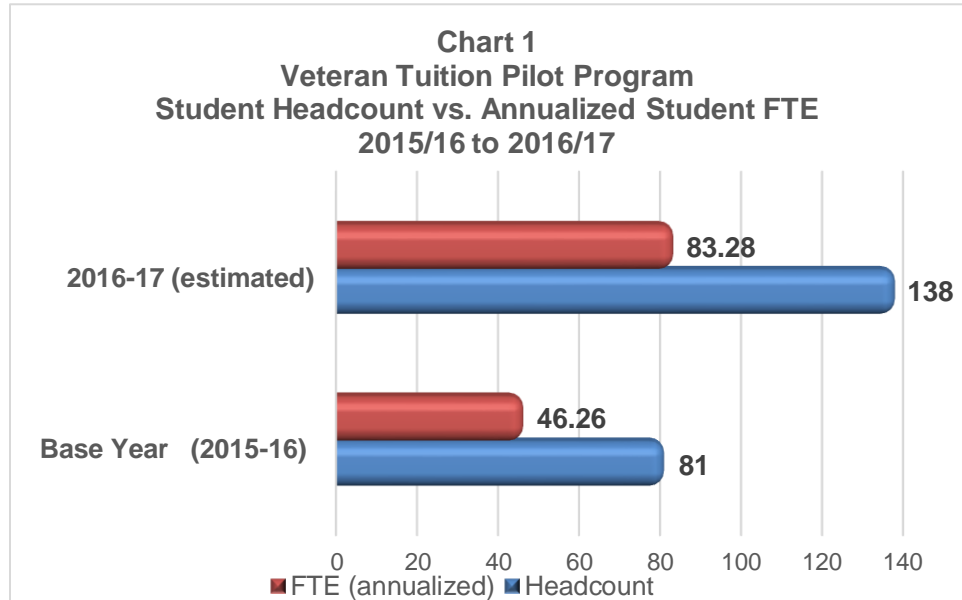
Projected Results—California University expected to increase overall veteran and eligible dependent enrollment by ten percent in 2016/17.

Actual Results—As Chart 1 indicates, overall student headcount increased from 81 in 2015/16 (base year) to an estimated 138 by the end of the 2016/17 academic year, an overall increase of 70.4 percent, while student FTE (annualized) increased from 46.26 to 83.28 during the same period, an increase of over 80 percent.

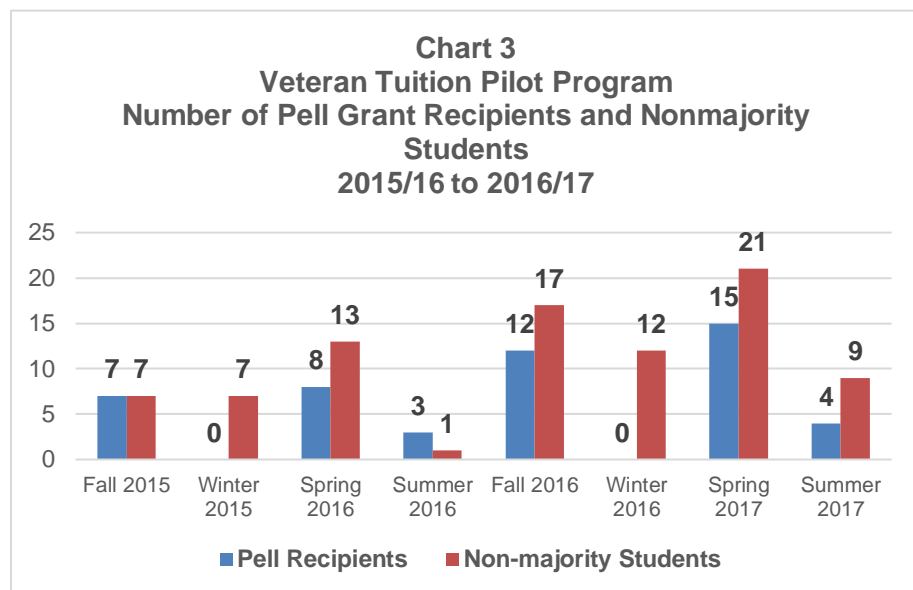
This overall growth is attributed to the university's proactive initiatives implemented by the Global Online admissions office, program coordinators, veterans affairs office, and university marketing staff. A significant increase in advertising in military publications and visits to military bases occurred this year, along with a stronger emphasis on unique marketing strategies. One such effort has been the distribution of Veterans Day military care packages to current student veterans and alumni to thank them for their service to our country and to share the news about the reduction in the tuition rate for veterans and eligible dependent students. This is just one of many initiatives the university is using to demonstrate a continued commitment to providing low cost educational opportunities for veterans and their families.

With the launch of the university's new tuition rate for veterans and eligible dependents in the fall 2016 semester, growth has continued to climb each semester (see Chart 2), with the largest percentage growth occurring during the spring 2017 semester.

Access



California University is committed to providing access to students, especially those with exceptional financial need, by providing institutionally need-based scholarship assistance to

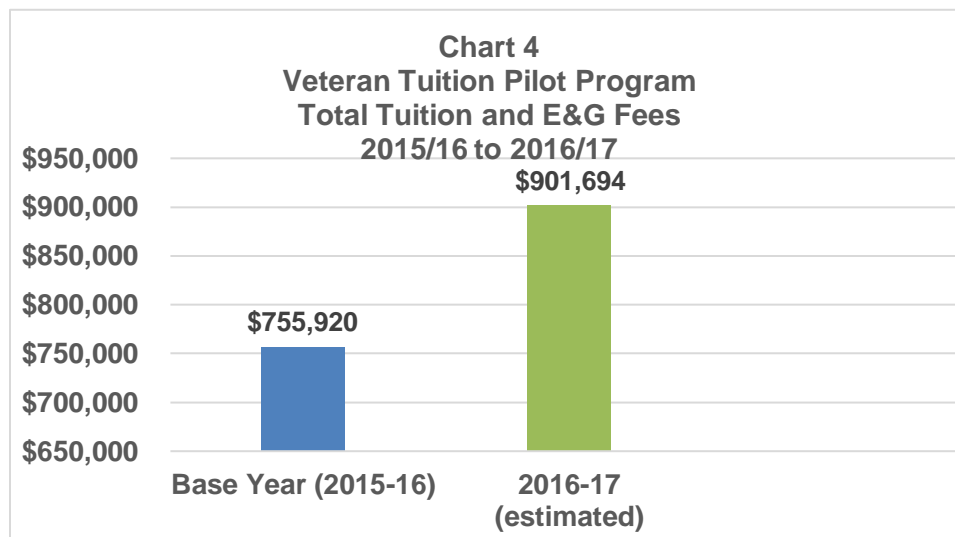


qualified students within this pilot program. The university is committed to maintaining at least a similar profile of Pell Grant recipients and underrepresented minority students within this pilot program. Chart 3 indicates that the number of Pell recipients and nonmajority students has steadily increased over the base year comparison.

Tuition Revenue

Projected Results—Tuition revenue was expected to increase by approximately 5 percent in 2016/17.

Actual Results—As Chart 4 demonstrates, overall tuition and fee revenue increased from \$755,920 in 2015/16 to a projected \$901,694 by the end of the 2016/17 academic year, an overall increase of 19.8 percent. This increase in revenue significantly exceeded the university's original projections, even when factoring in a 2.5 percent tuition increase for the 2016/17 academic year.



Total tuition and E&G fees are based on actual revenue data for fall 2016, winter 2016, spring 2017, and projected data for summer 2017.

Conclusion

The first-year results would indicate that the new pricing strategy is helping to expand enrollments and increase tuition and E&G fee revenue. It is unlikely that such rapid results would have been achieved without a reduced pricing strategy. Based on a recent report by Hanover Research, these students tend to be very price sensitive and do considerable comparative shopping before making a decision about their online educational options. Their research also indicated that California University is competitively priced among its peers for the top three Global Online Programs (Sports Management, Exercise Science, and Arabic) in which veterans and eligible dependents are currently enrolled. When factoring in the tuition reduction offered to veterans and eligible dependents, California University's price point for these programs dramatically improves. Therefore, the university wants to maintain that edge by continuing with its current tuition pricing strategy for veterans and eligible dependents enrolled in the university's undergraduate and graduate Global Online Programs.

The California University Council of Trustees approved the initial pilot and supports of the continuation of this pricing practice.

| | |
|---------------------|--------------------------------------|
| Pilot/Title: | California — Active Military Tuition |
|---------------------|--------------------------------------|

Brief Synopsis of Pilot, as Approved by Board of Governors:

Charge undergraduate tuition at the most recent Military Tuition Assistance (TA) reimbursement rate (currently \$250 per credit) and graduate tuition at a fixed rate of \$399 per credit to the following individuals enrolled in the Global Online Program: all active duty military (Army, Navy, Air Force, Marine Corps, Coast Guard, National Guard, and Reserves); and dependents and spouses of active duty members. Effective summer 2014 through summer 2016. Undergraduates taking 12-18 credits are charged the 12-credit rate.

Changes Made to Pilot since its Approval and/or Future Expectations for Pilot:

The pilot has been implemented as originally proposed and approved. The university considers this pilot to be successful and will seek approval to continue this pricing model after the completion of the pilot period, and expand it to include veterans and eligible dependents effective fall 2016.

| Assessment Criteria | Base Year: Fall 2013 | Prior Year: Fall 2014 | Prior Year: Fall 2015 | Current Year: Fall 2016 | Difference | |
|--|-------------------------|--------------------------|--------------------------|----------------------------|--------------------------|--------------------------|
| | | | | | Fall 2016 – Fall 2015 | Fall 2016 – Base Year |
| Cohort Access | | | | | | |
| Headcount Pell Recipients | 12.00 | 16.00 | 23.00 | 45.00 | 22.00 | 33.00 |
| Percent Pell Recipients | 13.0% | 12.0% | 14.0% | 14.0% | | |
| Headcount Nonmajority Students | 20.00 | 41.00 | 50.00 | 79.00 | 29.00 | 59.00 |
| Percent Nonmajority | 22.0% | 31.0% | 30.0% | 25.0% | | |
| Cohort Enrollment | | | | | | |
| Fall FTE Students | 51.27 | 74.60 | 96.23 | 181.20 | 84.97 | 129.93 |
| Fall Headcount Students | 90.00 | 133.00 | 166.00 | 300.00 | 134.00 | 210.00 |
| Annualized FTE Students | 85.29 | 119.83 | 148.19 | 239.13 | 90.94 | 153.84 |
| Fall Revenue Associated with Cohort | | | | | | |
| Tuition Revenue | \$244,385 | \$313,406 | \$391,816 | \$743,211 | \$351,395 | \$498,826 |
| E&G Fee Revenue | 17,942 | 34,068 | 47,919 | 99,262 | 51,343 | 81,320 |
| Auxiliary Fee Revenue | 0 | 0 | 0 | 0 | 0 | 0 |
| Institutional Financial Aid <i>(negative number)</i> | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Revenue | \$262,327 | \$347,474 | \$439,735 | \$842,473 | \$402,738 | \$580,146 |
| Revenue Increase Due to Normal Rate Changes | | \$538 | \$1,193 | \$3,536 | \$2,343 | \$3,536 |

Observations:

This pilot has far exceeded enrollment and revenue goals. Since fall 2013, headcount enrollment has increased 84% and tuition revenues have increased 137%.

**Request for Continuance of Alternative Pricing Strategy
Cheyney University of Pennsylvania
Center City Tuition**

Overview of Proposed Rate Structure

The goal of Cheyney University's initial pricing pilot was both to increase enrollment and revenue and to make Cheyney competitive in the Philadelphia higher education market. The pilot charged 90 percent of the applicable tuition rate to all Cheyney University students attending the State System's Center City location in downtown Philadelphia. The tuition rate applied to all Cheyney Center City undergraduate and graduate programs, effective fall 2014 through summer 2016. Cheyney University received permission to continue the pilot rates beyond summer 2016. This request aims to allow Cheyney to continue this alternative pricing strategy.

Rationale for Rate Structure

This reduced rate tuition pilot extends the university's access mission for serving underrepresented students to the Center City Philadelphia site. Specifically, the programs offered provide opportunities for those who live and/or work in the greater Philadelphia region.

During the timeframe for this pilot, Cheyney's headcount enrollment in Center City has remained fairly stable. At the beginning of the pilot period, Cheyney's program offerings included undergraduate programs in business; education; graphic design; criminal justice; and hotel, restaurant and tourism management, as well as graduate programs in education and public administration. Over the life of the pilot, some undergraduate programs have been phased out at Center City and current enrollment is almost exclusively graduate. Currently, Center City is the only location for Cheyney's graduate offerings, and it is intended to continue as such for the foreseeable future.

Assessment

As Cheyney's Center City programming has migrated to providing solely graduate programs, the university continues to serve a similar number of students. FTE participation is less due to the part-time nature of graduate enrollment.

| Enrollment | Fall 2013 | Fall 2014 | Fall 2015 | Fall 2016 |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| FTE | 64.02 | 72.33 | 61.67 | 40.00 |
| Headcount | 81 | 89 | 78 | 77 |
| <i>Pell Eligible</i> | 35 | 41 | 45 | 17 |
| <i>Nonmajority</i> | 75 | 87 | 73 | 76 |

By reducing tuition 10 percent, the university attracted more students, generating a net revenue gain in 2014/15. Although all university FTE enrollment declined in 2015/16, generating losses in tuition and fee revenue, the losses at Center City were significantly less than occurred on main campus.

| Revenue | Fall 2013 | Fall 2014 | Fall 2015 | Fall 2016 |
|--------------------|-----------|-----------|-----------|-----------|
| Net Tuition & Fees | \$293,429 | \$306,367 | \$270,357 | \$210,205 |

Specific data related to costs, revenue, and student demand are detailed below.

| | |
|---|---|
| Pilot/Title: | Cheyney – Pennsylvania's State System @ Center City, Philadelphia |
| Brief Synopsis of Pilot, as Approved by Board of Governors: | |
| Charge 90% of the applicable tuition rate to students attending the Pennsylvania's State System at Center City Philadelphia location. The tuition rate would apply to all Cheyney Center City programs, both undergraduate and graduate. Effective fall 2014 through summer 2016. | |
| Changes Made to Pilot since its Approval: | |
| N/A | |

| | | | | | Difference | |
|---|-------------------------|--------------------------|--------------------------|----------------------------|--------------------------|--------------------------|
| Assessment Criteria | Base Year: Fall 2013 | Prior Year: Fall 2014 | Prior Year: Fall 2015 | Current Year: Fall 2016 | Fall 2016 – Fall 2015 | Fall 2016 – Base Year |
| Cohort Access | | | | | | |
| Headcount Pell Recipients | 35.00 | 41.00 | 42.00 | 17.00 | 6.00 | 1.00 |
| Percent Pell Recipients | 43.2% | 46.1% | 53.8% | 22.1% | | |
| Headcount Nonmajority Students | 75.00 | 87.00 | 73.00 | 76.00 * | 12.00 | (14.00) |
| Percent Nonmajority | 97.4% | 97.8% | 93.6% | 98.7% | | |
| Cohort Enrollment | | | | | | |
| Fall FTE Students | 64.02 | 72.33 | 61.67 | 40.00 * | 8.31 | (10.66) |
| Fall Headcount Students | 81.00 | 89.00 | 78.00 | 77.00 | 8.00 | (11.00) |
| Annualized FTE Students | | | | | 0.00 | 0.00 |
| Fall Revenue Associated with Cohort | | | | | | |
| Tuition Revenue | \$266,754 | \$278,515 | \$245,779 | \$191,095 * | \$11,761 | \$(32,736) |
| E&G Fee Revenue | 26,675 | 27,852 | 24,578 | 19,110 * | 1,176 | (3,274) |
| Auxiliary Fee Revenue | 0 | 0 | 0 | 0 | 0 | 0 |
| Institutional Financial Aid (negative number) | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Revenue | \$293,429 | \$306,367 | \$270,357 | \$210,205 | \$12,937 | \$(36,010) |
| Revenue Increase Due to Normal Rate Changes | | 8,923 | 9,142 | 5,127 | 8,923 | 219 |
| Revenue Associated with Pilot | | \$297,443 | \$261,214 | \$205,078 | \$4,014 | \$(36,229) |

Observations

Fall 2014 enrollment increased 13% by FTE and 10% by headcount, generating an overall increase in tuition revenue. Reductions in fall 2015 enrollment (15% and 12%, respectively) were significantly less than experienced by main campus. The reduced FTE in Fall 2016 is attributed to the part-time nature of graduate students.

*Estimated by Office of the Chancellor

Conclusion

Center City is a key strategic component to Cheyney's future success, and the university is committed to continuation of this pricing strategy. As program offerings are expanded at Cheyney's Center City location, a lower market price will assist in attracting new students and gaining enrollment within the highly competitive Philadelphia market.

The Cheyney University Council of Trustees approved the initial pilot and supports the continuation of this pricing practice.

Request for Continuance of Alternative Pricing Strategy
Mansfield University of Pennsylvania
Out-of-State Meritorious Tuition Pricing Flexibility Pilot
(TEAM: Tuition Enhance Award for Merit)

Overview of Proposed Rate Structure

Mansfield University of Pennsylvania's tuition pilot for meritorious out-of-state students, known on campus as TEAM, has three major goals: 1) to increase out-of-state enrollment, 2) to increase retention, persistence and four-year graduation rates of out-of-state students, and 3) to further enhance Mansfield's strong academic profile. TEAM is a tuition incentive program that is based on admission data—high school grade point average (GPA) or college transfer GPA and total SAT score. TEAM is structured into four tiers, each with an associated out-of-state tuition rate. Students in each tier must meet an incoming academic profile and required academic benchmarks to stay in the program. Mansfield evaluates each student's academic performance and continuation in TEAM at the end of the spring semester each year.

| Tier | High School GPA/SAT | | Mansfield GPA at 30 credits | Mansfield GPA at 60 and 90 Credits | Tuition Rate as % of In-State Tuition |
|---------------------------------|----------------------------|------|------------------------------------|---|--|
| Tier 1 | 3.70 | 1270 | 3.25 | 3.70 | 105% |
| Tier 2 | 3.50 | 1220 | 3.25 | 3.50 | 120% |
| Tier 3 | 3.35 | 1130 | 3.25 | 3.35 | 135% |
| Tier 4 | 3.25 | 1080 | 3.25 | 3.25 | 150% |
| All Other Out-of-State Students | | | | | 165% or 200% |

Rationale for Rate Structure

Mansfield's out-of-state enrollment has decreased 50 percent since 2009. One of the primary reasons for this decline has been the introduction of a Tuition Assistance Program (TAP) in New York, which is Mansfield's largest source of out-of-state students. Even the university's "Good Neighbor" tuition rate of 165 percent of in-state tuition was not mitigating the impact of New York's TAP, leading to the consistent decline in out-of-state student enrollment. Through this pilot, the university hoped to reverse that trend by offering a tuition incentive program for academically qualified students, while at the same time increasing its academic profile. Equally important was the data showing that students with higher incoming academic quality are retained, persist, and graduate at higher rates. TEAM requires each student to complete 30 credits per academic year while achieving a predetermined overall GPA to remain eligible for the program's tuition rate(s). Prior to TEAM, most out-of-state students were taking fewer than 30 credits per year, which contributed to a lower student full-time equivalency (FTE), longer time to degree, lower persistence rate, and a negative fiscal impact.

TEAM is exceeding expectations and fulfilling its intended purpose. The university seeks continuation of this alternative pricing structure beyond the pilot period, which ends summer 2017.

Assessment

Cost Benefit Analysis

The cost benefit relationship for TEAM becomes positive when the increased number of students is larger than the discounted tuition. By comparing Educational and General (E&G) tuition and fees and enrollment across fall 2014 (year prior to TEAM's implementation), fall 2015 (TEAM's first cohort), and fall 2016 (TEAM's second cohort), the cost benefit relationship can be evaluated. Fall 2015 showed a 46 percent increase in enrollment, yet a 17 percent decrease in E&G tuition and fees. Of the university's 131 new out-of-state students, 70 came to campus by way of TEAM from eight states. Sixty-one percent of these students were in Tier 1, the highest merit/highest discounted bracket. In fall 2016, the out-of-state enrollment grew to 157, with 106 in TEAM (from eleven states and three countries), a 74 percent increase over 2014. E&G tuition and fees increased by 49 percent over fall 2014. Even after accounting for the movement from flat rate tuition to the per-credit tuition model in fall 2016, Mansfield still reached a positive cost benefit ratio for TEAM.

Another factor that adds to the fiscal bottom line is increased retention of students at Mansfield. For fall 2015, the out-of-state retention rate was 63 percent. For students in the fall 2015 TEAM cohort, that retention rate was 70 percent, even though only 39 percent of students in the cohort were still eligible for the tuition discount. The loss of revenue from the tuition incentive was regained from the 31 percent of the students who remained enrolled at Mansfield.

Commitment to Access

Mansfield is committed to access. Mansfield students have the third highest Pell-eligibility percentage in the State System. The table below shows the Pell-eligibility percentage over the last three years, as a total and by residence.

| | Fall 2014 | Fall 2015 | Fall 2016 |
|---------------------|-----------|-----------|-----------|
| All Students | 49% | 48% | 50% |
| In-State | 42% | 41% | 42% |
| Out-of-State | 7% | 8% | 8% |

The results reflected in the table indicate that the introduction of an out-of-state meritorious tuition pricing flexibility pilot further enhanced the university's access mission.

Academic Quality

Academic quality of the incoming students exceeded that of all their classmates (in- and out-of-state) in each cohort (see chart below).

| | High School GPA | | SAT Score | |
|----------------------------|-----------------|------|--------------|------|
| 1st Year | All students | Team | All students | Team |
| Fall 2015 | 3.49 | 3.70 | 1011 | 1082 |
| Fall 2016 | 3.48 | 3.58 | 1007 | 1022 |

In addition, the higher GPA and SAT values for the TEAM fall 2016 cohort compared to the TEAM fall 2015 cohort reflect a growing percentage of highly meritorious students. The fall 2016 TEAM cohort had 61 percent of its students in Tier 1 versus 54 percent in fall 2015. Academic quality is being positively impacted.

Specific data related to costs, revenue, and student demand follows.

| | | | | | |
|---|-----------------------|--|-------------|---------------|--------------------------|
| Pilot/Title: | | Mansfield — Reduced Out-of-State Tuition | | | |
| Brief Synopsis of Pilot, as Approved by Board of Governors: | | | | | |
| Charge 105% - 150% of the in-state tuition rate to new out-of-state, full-time meritorious students in undergraduate degree programs that have enrollment capacity beyond existing enrollment (currently, music, nursing, radiology, respiratory therapy, and all online programs are excluded). University will set merit eligibility criteria applicable for specific tuition rates within this range, including eligibility for rate renewal. Effective fall 2015 through summer 2017. | | | | | |
| Changes Made to Pilot since its Approval and/or Future Expectations for Pilot: | | | | | |
| All degree programs have been included in this program. | | | | | |
| | Tier | II | III | IV | |
| | Tuition Rate | 120% | 135% | 150% | |
| | Minimum GPA | 3.50 | 3.35 | 3.25 | |
| | Minimum SAT/ACT Score | 1150/25 | 1050/23 | 1000/21 | |
| | | Base Year: | Prior Year: | Current Year: | Difference |
| Assessment Criteria: | | Fall 2014 | Fall 2015 | Fall 2016 | Fall 2016 – Fall 2015 |
| Cohort Access | | | | | Fall 2016 – Base Year |
| Headcount Pell Recipients | | 35.00 | 30.00 | 50.00 | 20.00 |
| Percent Pell Recipients | | 38.9% | 42.9% | 38.2% | |
| Headcount Nonmajority Students | | 8.00 | 6.00 | 13.00 | 7.00 |
| Percent Nonmajority | | 9.3% | 8.6% | 9.9% | |
| Cohort Enrollment | | | | | |
| Fall FTE Students | | 90.83 | 70.40 | 131.00 | 60.60 |
| Fall Headcount Students | | 90.00 | 70.00 | 131.00 | 61.00 |
| Annualized FTE Students | | 83.67 | 65.40 | | (65.40) |
| | | 2014/15 | 2015/16 | 2016/17 | |
| Annual Revenue Associated with Cohort | | Annual | Annual | Annual | |
| Tuition Revenue | | \$694,617 | \$582,450 | \$1,039,241 | \$456,791 |
| E&G Fee Revenue | | 136,980 | 109,584 | 195,526 | 85,942 |
| Auxiliary Fee Revenue | | 867,668 | 694,134 | 1,238,513 | 544,379 |
| Institutional Financial Aid (negative number) | | | | | 0 |
| Net Revenue | | \$1,699,265 | \$1,386,168 | \$2,473,280 | \$1,087,112 |
| Revenue Increase due to Normal Rate Changes | | | \$42,462 | | (\$42,462) |

Relationship with Other Existing University Practices

This pilot is one of four tuition-pricing strategies: TEAM, Freeze Individualized Tuition (FIT—the university's per-credit tuition with frozen rates guaranteed for each cohort), military tuition, and new out-of-state rate. These pricing strategies are being utilized by the university to meet its MU2020 strategic plan objectives. TEAM and FIT are working in concert to reduce student debt, and both have become powerful recruiting tools. Students who qualify for military tuition do not qualify for TEAM. The new out-of-state tuition rate of 165 percent for incoming freshmen with a high school GPA of 2.75 to 3.25 or a transfer GPA of 2.5 to 3.25 creates another tuition level that is consistent with TEAM principles. (Note: The out-of-state tuition for high school students with a GPA below 2.75 or a transfer GPA below 2.5 is 200 percent of in-state tuition.)

Conclusion

After two cohorts, TEAM is meeting its stated objectives and fiscal expectations. This pricing strategy has resulted in increased enrollment and retention of high quality out-of-state students. The university is committed to serving its out-of-state market through the continuation of this pricing strategy. The Mansfield University Council of Trustees approved the initial pilot and supports the continuation of this pricing practice.

**Request for Continuance of Alternative Pricing Strategy
Millersville University of Pennsylvania
Per-Credit Tuition for Resident Undergraduate Students**

Overview of Proposed Rate Structure

The goal of the pricing flexibility pilot was to charge tuition on a per-credit basis for all resident undergraduate students. The approach replaced the hybrid model in which students enrolled in 12–18 credits were charged a flat rate, and students who were not full-time were charged on a per-credit basis. The proposed pilot program was based on a three-year implementation plan and rolled back per-credit tuition for all undergraduate in-state students 7 percent below the System's standard per-credit rate in year one. In year two, the university would charge tuition per credit at a rate that was 4 percent below the System's standard in-state undergraduate per-credit tuition, and in year three, at 1 percent below the System's standard per-credit rate. This was not a revenue neutral model; it was intended to raise additional funds to help reduce a \$10 million structural deficit.

There was no change to the billing model for out-of-state students and graduate students. Out-of-state undergraduate students would continue to be charged using the hybrid model, and all graduate students would continue to be charged per-credit rates.

Rationale for Rate Structure

Part of the Millersville Strategic Plan (The BOLD PATH), was to be more aggressive in the part-time adult education market. The pilot enabled the university to implement programs and initiatives developed as part of the strategic plan. The proposal worked to align instructional services delivered with charges to students. An immediate focus of the change was to make the university's billing structure more transparent and easier for students and their families to understand. Per-credit pricing allowed more flexibility for students in managing their financial obligations, minimizing the number of students forced to leave the university each year due to financial pressure. Per-credit pricing allowed for a hospitable platform for pricing of programs and courses of nontraditional length and scope as the university works to serve increasing numbers of adult learners returning to complete their degree.

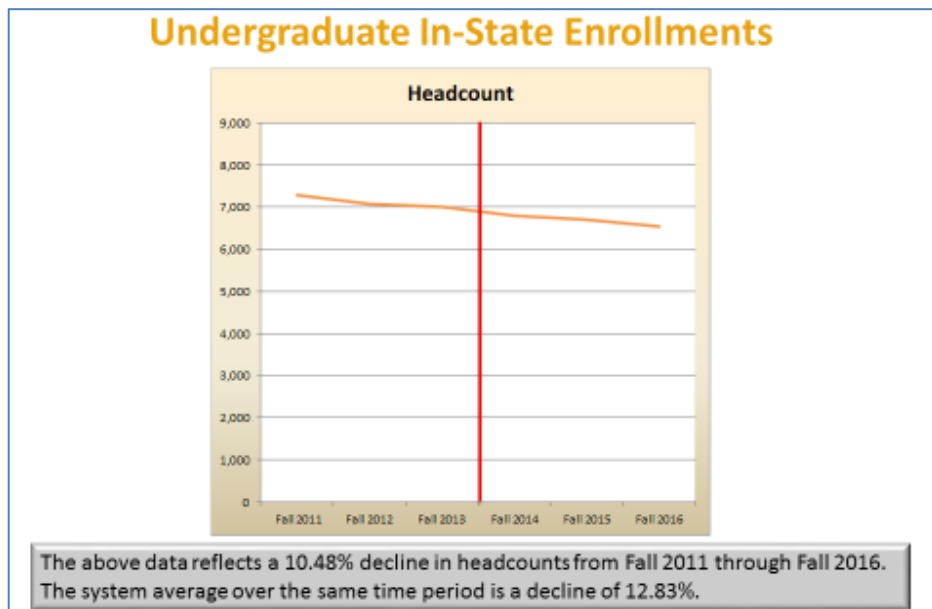
The average in-state undergraduate at Millersville takes 14.3 credits each semester. Under the pilot, Millersville set aside \$1.1 million in financial aid starting in the 2014/15 fiscal year. This helped alleviate pressure on students with unmet financial need based on historical data. In addition, Millersville continued to offer additional summer, winter, and online courses to meet the needs of students.

Assessment

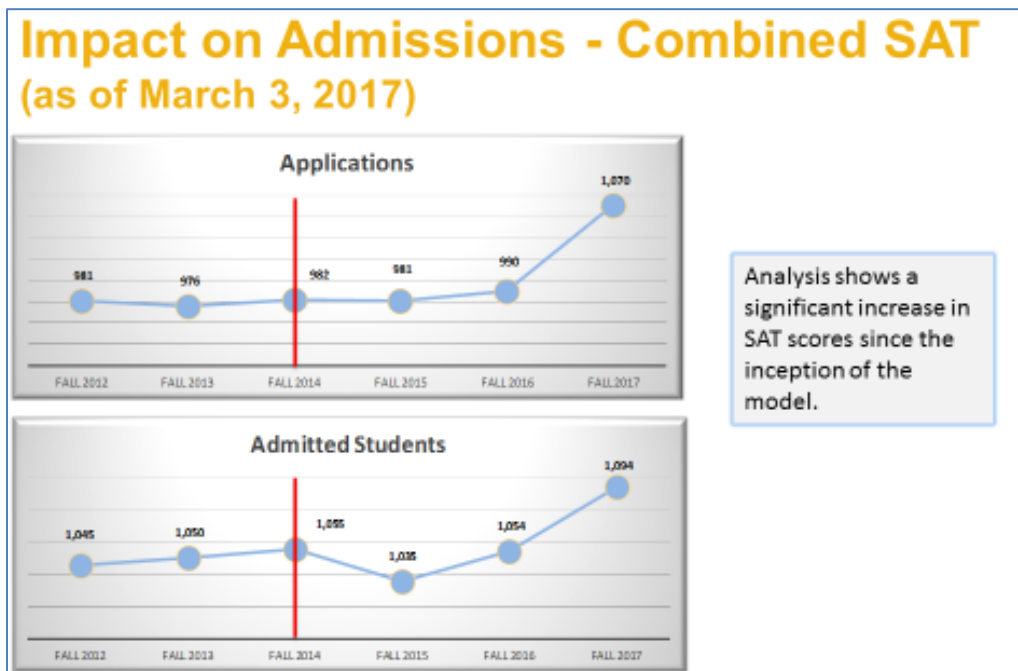
This per-credit tuition model is exceeding expectations and fulfilling its intended purpose, as outlined below.

Enrollment

Millersville's overall enrollment has declined over the implementation of the model. Total System enrollment has declined as well. Millersville University's full-time student decline is less than that experienced by the System. Part-time enrollment has grown by 29.9 percent.

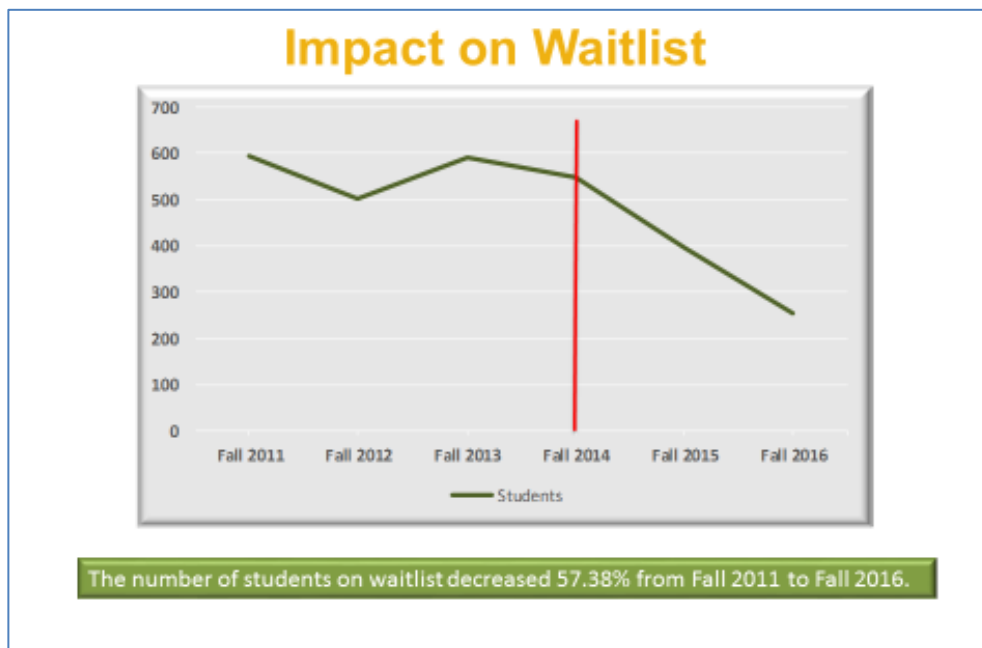


During the same period, the quality of incoming freshman has increased. There has been a positive effect on SAT scores, as combined SAT scores have increased by 90 points for applications and by 40 points for admitted students.



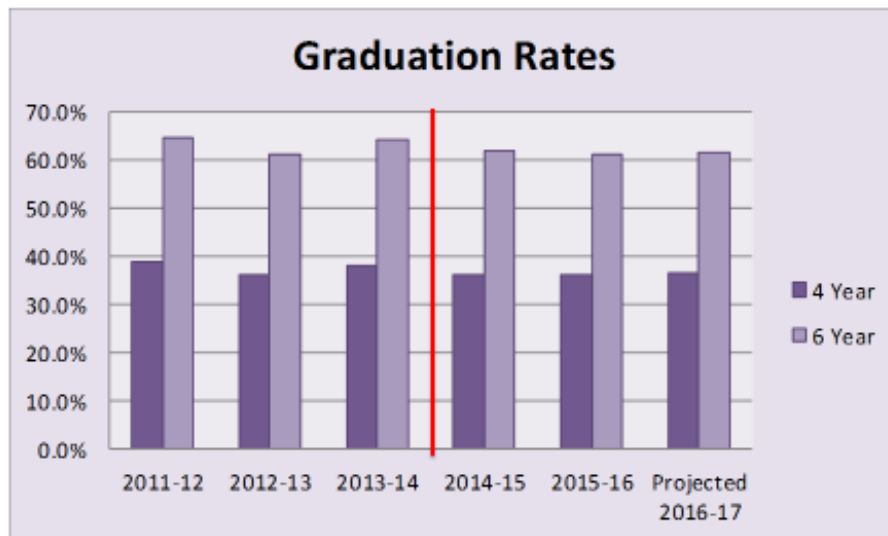
Credit Hours and Courses

The average number of credit hours for full-time in-state undergraduate students has declined slightly from 14.51 credits to 14.24 credits; but the average number of credit hours per part-time student has increased slightly from 6.41 credits to 6.59 credits. There has been no impact on internships, but there has been a sharp increase in individualized instruction and independent study. Students are adding/dropping fewer courses and the number of waitlisted students has dropped over 50 percent.



Graduation Rates

Graduation rates remain strong. Millersville's four- and six-year rates are far ahead of the national averages.



Financial Aid/Student Debt

The university is committed to providing access to all students, especially those with exceptional financial need, by providing institutional need-based scholarship assistance to qualified students within this pilot program. Millersville has increased student aid by \$1.1 million. The amount of aid offered increased approximately 50 percent. The number of students receiving aid has more than doubled and the average aid per student has increased approximately \$400 per student.

| Institutional Aid | | | | | | |
|--|-----------|-----------|------------|--------------|--------------|----------------|
| Financial Aid Statistics | | | | | | |
| | FY2011-12 | FY2012-13 | FY2013-14 | FY2014-15 | FY2015-16 | FY2016-17 |
| Average number of students offered aid | 73 | 76 | 465 | 1,539 | 1,296 | 707 * |
| Amount of aid offered annually | \$ 76,503 | \$ 90,680 | \$ 850,467 | \$ 1,387,273 | \$ 1,467,188 | \$ 1,602,761 * |
| Average number of students paid aid | 21 | 35 | 147 | 1,042 | 700 | 380 * |
| Amount of aid paid annually | \$ 39,513 | \$ 52,593 | \$ 257,599 | \$ 812,761 | \$ 808,172 | \$ 802,687 * |
| Average aid paid per student annually | \$ 1,882 | \$ 1,503 | \$ 1,758 | \$ 780 | \$ 1,155 | \$ 2,112 * |

* 2016-17 not final
2011-12 & 2012-13 reflect much lower numbers. This type of aid awarded started in fiscal year 2013-14.

As part of the per-credit tuition pilot program, an additional \$1.1 million of institutional aid was earmarked to assist economically challenged students. Since inception of the program, the institution has not utilized the full amount. This allocation will continue to be reviewed annually for need.

In 2011/12, Millersville's student debt at graduation was \$604 above the national average. In the first year of the model, Millersville's student debt was \$6,111 below the national average.

Student Loan Comparison - Millersville to National

| Year | Graduates | Borrowers | Percentage Non-borrowers | Millersville Loan Average | National Loan Average | Variance | % Change |
|---------|-----------|-----------|--------------------------|---------------------------|-----------------------|------------|----------|
| 2011-12 | 1,541 | 1,185 | 23% | \$ 30,004 | \$ 29,400 | \$ 604 | 2.05% |
| 2012-13 | 1,537 | 1,230 | 20% | \$ 29,699 | \$ 33,000 | \$ (3,301) | -10.00% |
| 2013-14 | 1,522 | 1,200 | 21% | \$ 28,290 | \$ 35,051 | \$ (6,761) | -19.29% |
| 2014-15 | 1,422 | 1,156 | 19% | \$ 31,061 | \$ 37,172 | \$ (6,111) | -16.44% |
| 2015-16 | 1,448 | 1,142 | 21% | \$ 29,816 | | | |
| 2016-17 | 1,488 | 1,177 | 21% | \$ 31,407 | | | |

Average Percentage of Non-borrowers

20.8%

Data: Student Loan Hero - US Student Loan Debt

Tuition Revenue

Over the three years of the model, the university eliminated its \$10 million structural deficit. During this period, the institution reduced/reallocated over \$27.1 million, in which expense reductions totaled \$13.7 million, and the model provided \$9.1 million. The per-credit tuition model provided only 33.5 percent of the structural deficit solution.

Budget Balancing Measures

| Budget Reductions/Revenue Generating Options 2012-13 through 2015-16 | | | | |
|--|------------------|------------------|------------------|------------------|
| | 12-13 | 13-14 | 14-15 | 15-16 |
| University Marketing Initiatives/Gift usage | | 250,000 | 500,000 | |
| Operating Budget Reductions | | 184,727 | 561,559 | 339,135 |
| Salary and Benefit Savings | | | 281,883 | 292,307 |
| Reduction in Equipment/Furniture/Repair & Renovation Budget | | 836,136 | | |
| Reduction of TPTF Positions | | | | 500,000 |
| Selective Freeze/Elimination of Administrative Positions | 1,638,609 | 5,237,185 | 2,127,206 | 1,584,590 |
| Use of Contingency Reserve and fund balance to fund operating and personnel expenses | 300,000 | 2,002,783 | 1,390,516 | - |
| Additional Revenue Generated by Pilot Programs (Net of additional financial aid offered) | | | 3,969,348 | 5,153,279 |
| TOTAL REDUCTIONS/REVENUE GENERATING OPTIONS | 1,938,609 | 8,510,831 | 8,830,512 | 7,869,311 |
| TOTAL COST REDUCTIONS & REVENUE GENERATING OPTIONS: \$27,149,263 | | | | |

Conclusion

In the original proposal approved by the Board, Millersville University stated three main objectives, all of which have been supported through this pricing practice, as follows:

- Be more aggressive in the part-time adult market—part-time credits increased 29.9 percent since implementation.
- Minimize the number of students forced to leave the university due to financial pressures—2014/15 student debt was \$6,111 below the national average.
- Set aside tuition revenue for institutional financial aid—in 2016/17, \$1.6 million in institutional aid was offered to 702 students.

In addition, student behavior has changed in how they register for courses, resulting in more efficient instructional delivery. Students are becoming more deliberate with their schedules, including utilizing the entire calendar year, freeing up more time for extra-curricular activities.

This pricing strategy continues to be successful in meeting its objectives. The university requests continuation of this alternative pricing structure beyond the pilot period, which ends summer 2017.

The Millersville University Council of Trustees approved the initial pilot and supports of the continuation of this pricing practice.

| | |
|---------------------|-----------------------------------|
| Pilot/Title: | Millersville — Per-Credit Tuition |
|---------------------|-----------------------------------|

Brief Synopsis of Pilot, as Approved by Board of Governors:

Charge tuition on a per-credit basis to all in-state undergraduate students. The university will phase in this program over three years, by charging 93% of the State System's per-credit tuition rate in year 1, 96% of the State System's per-credit tuition rate in year 2, 99% of the State System's per-credit tuition rate in year 3, and the State System's per-credit tuition rate in year 4. The university will assess the program annually and may make appropriate adjustments to the plan. Effective fall 2014 through summer 2017.

Changes Made to Pilot since its Approval and/or Future Expectations for Pilot:

N/A

| Assessment Criteria: | Base Year: Fall 2013 | Prior Year: Fall 2014 | Prior Year: Fall 2015 | Current Year: Fall 2016 | Difference Fall 2016 – Fall 2015 | Fall 2016 – Base Year |
|--|---------------------------------|----------------------------------|----------------------------------|------------------------------------|---|----------------------------------|
| Cohort Access | | | | | | |
| Headcount Pell Recipients | 2,390.00 | 2,383.00 | 2,195.00 | 1,977.00 | (218.00) | (413.00) |
| Percent Pell Recipients | 34.1% | 35.1% | 32.8% | 30.3% | | |
| Average Number of Credit Hours Enrolled | 13.70 | 13.50 | 13.32 | 13.18 | (0.14) | (0.52) |
| Headcount Nonmajority Students | 1,591.00 | 1,656.00 | 1,657.00 | 1,573.00 | (84.00) | (18.00) |
| Percent Nonmajority | 21.5% | 23.1% | 23.4% | 24.1% | | |
| Average Number of Credit Hours Enrolled | 13.22 | 13.06 | 12.81 | 12.58 | (0.23) | (0.64) |
| Headcount Majority Students/NonPell | 4,046.00 | 3,828.00 | 3,831.00 | 3,792.00 | (39.00) | (254.00) |
| Percent of Total | 54.8% | 53.4% | 54.1% | 58.1% | 0 | 0 |
| Average Number of Credit Hours Enrolled | 13.69 | 13.64 | 13.33 | 13.16 | (0.17) | (0.53) |
| Average Student Credit Hours Taken (12+ credits) | 14.53 | 14.47 | 14.31 | 14.24 | (0.07) | (0.29) |
| Average Student Credit Hours Taken (all undergraduates) | 13.64 | 13.54 | 13.29 | 13.06 | (0.23) | (0.58) |
| Comparison of Breakdown of Number of Credits Taken by Students (additional data may be attached): | | | | | | |
| Number of Students Taking More Than 13 Credits Who Filed a FAFSA and Had Unmet Need | 3,272.00 | 3,139.00 | 2,979.00 | 2,801.00 | (178.00) | (471.00) |
| Number of Students Taking More Than 15 Credits Who Filed a FAFSA and Had Unmet Need | 2,765.00 | 2,640.00 | 2,384.00 | 2,270.00 | (114.00) | (495.00) |
| Number of Students Registered For More Credits Than They Had at End of Drop/Add Period | 417.00 | 429.00 | 376.00 | 389.00 | 13.00 | (28.00) |
| Number of Students Offered Institutional Aid | 126.00 | 1,100.00 | 635.00 | 572.00 | (63.00) | 446.00 |
| Average Institutional Aid Award | \$1,079 | \$398 | \$522 | \$1,214 | \$692 | \$135 |
| Other: | | | | | | |
| Headcount FAFSA Filers | 5,838.00 | 5,613.00 | 5,457.00 | 5,254.00 | (203.00) | (584.00) |
| Total Institutional Aid Awarded | \$135,970 | \$437,737 | \$331,660 | \$694,616 | \$362,956 | \$558,646 |
| Cohort Enrollment (In-state Undergraduates) | | | | | | |
| Fall FTE Students | 6,364.27 | 6,117.67 | 5,902.80 | 5,681.70 | (221.10) | (682.57) |
| Fall Headcount Students | 7,016 | 6,798 | 6,693 | 6,528 | (165.00) | (488.00) |
| Annualized FTE Students | 6,547.80 | 6,353.00 | 6,154.60 | 5,972.00 | (182.60) | (575.80) |
| Annual Revenue Associated with Cohort | | | | | | |
| | 2013/14 Annual | 2014/15 Annual | 2015/16 Annual | 2016/17 Annual | | |
| Tuition Revenue | \$45,905,632 | \$50,455,525 | \$52,264,270 | \$53,019,161 | \$754,891 | \$7,113,529 |
| E&G Fee Revenue | 0 | 0 | 0 | 0 | 0 | 0 |
| Auxiliary Fee Revenue | 0 | 0 | 0 | 0 | 0 | 0 |
| Institutional Financial Aid (negative number) | (279,529) | (826,010) | (817,848) | (1,918,227) | (1,100,379) | (1,638,698) |
| Net Revenue | \$45,626,103 | \$49,629,515 | \$51,446,422 | \$51,100,934 | (\$345,488) | \$5,474,831 |
| Revenue Increase due to Normal Rate Changes | | \$2,312,710 | \$1,649,125 | \$2,512,355 | \$863,230 | \$2,512,355 |

Observations:

Financial aid is as of September 22, 2016. Financial aid data for fall 2016 is not yet final, so numbers are subject to change. The university is committed to providing \$1.1 million in institutional aid. There has been no impact on auxiliary housing revenue as Millersville is at or near capacity.

Request for Continuance of Alternative Pricing Strategy West Chester University of Pennsylvania Center City Tuition

Overview of Proposed Rate Structure

The goal of West Chester University's initial pricing pilot was both to increase enrollment and revenue and to make West Chester competitive in the Philadelphia higher education market. The pilot project charged 90 percent of the applicable tuition rate to all students attending the State System's Center City location in downtown Philadelphia. West Chester University implemented the pricing flexibility pilot for all undergraduate and graduate programs at the Philadelphia site and received permission to continue the pilot rates beyond summer 2016. This request aims to allow West Chester to continue this alternative pricing strategy.

Rationale for Rate Structure

Each year, West Chester University turns away many students who fully meet its admission standards because there is not enough room on the West Chester campus. Recognizing this dilemma, the university's strategic plan calls for the continued development of off-campus sites and co-located programs, such as the State System's Center City Philadelphia site.

During the timeframe for this pilot, West Chester program enrollment in Philadelphia increased 125 percent. While this growth has been significant, the Philadelphia location is currently at capacity in terms of space available to West Chester and is operating under a model of sustaining the present enrollment level until additional space becomes available, likely in fall 2017. At that time, moderate growth is anticipated relative to the growth of other university partners at the site.

Assessment

Cost Benefit Analysis

The original goal for the Center City site was to achieve a net positive revenue. West Chester University's Philadelphia tuition revenue increased from just shy of \$100,000 in fall 2013 to more than \$1 million in fall 2016. Factoring in Education and General (E & G) fee revenue net of changes in financial aid, net revenue has increased from \$109,055 in fall 2013 to \$1,221,000 in fall 2016. Here again, the pricing pilot appears to have been quite successful.

As the university works toward expanding the physical space at the Center City site, it continues to be mindful of the need for additional support services and their importance to student success and retention. Second-year retention rates are good, but the goal is to improve this important indicator of student success. Undergraduate retention for fall 2015 was 72.7 percent, and is 69.0 percent for fall 2016. Graduate program retention for fall 2015 was 73.1 percent, and is 75.8 percent for fall 2016. Finally, it is important to note that the programs in Philadelphia participate in the same assessment of student learning outcomes as the programs on the West Chester campus, and in that context they are included in the university's highly successful Assurance of Student Learning initiative, recently recognized by Middle States as worthy of a commendation in its Periodic Review Report. This is a further indicator of West Chester's commitment to student success at the Center City site.

Specific data related to costs, revenue, and student demand are detailed in the following chart. Enrollments have increased steadily over the past several years, doubling in both headcount and annualized FTE since the pilot began in fall 2014. That year 168 students were enrolled at the Center City site; as of the freeze date for fall 2016, 378 students had enrolled. Similarly,

annualized FTE students have increased from 109.81 in fall 2014 to 264.27 in fall 2016.

Pilot/Title: West Chester — Pennsylvania's State System @ Center City, Philadelphia

Brief Synopsis of Pilot, as Approved by Board of Governors:

Charge 90% of the applicable tuition rate to students attending the Pennsylvania's State System at Center City Philadelphia location. The tuition rate would apply to all West Chester Center City programs, both undergraduate and graduate. Effective fall 2014 through summer 2016.

Changes Made to Pilot since its Approval and/or Future Expectations for Pilot:

The pilot has been implemented as originally proposed and approved. The Board of Governors extended the pricing through summer 2017 and expanded the program to include veterans and their dependents.

| Assessment Criteria: | Difference | | | | | |
|--|-------------------------|--------------------------|--------------------------|-------------------------------|--------------------------|--------------------------|
| | Base Year: Fall 2013 | Prior Year: Fall 2014 | Prior Year: Fall 2015 | Current Year: Fall 2016 | Fall 2016 – Fall 2015 | Fall 2016 – Base Year |
| Cohort Access | | | | | | |
| Headcount Pell Recipients | 1.00 | 40.00 | 102.00 | 110.00 | 8.00 | 109.00 |
| Percent Pell Recipients | 2.8% | 23.8% | 32.9% | 29.1% | | |
| Headcount Nonmajority Students | 27.00 | 125.00 | 230.00 | 282.00 | 52.00 | 255.00 |
| Percent Nonmajority | 75.0% | 74.0% | 74.2% | 74.6% | | |
| Cohort Enrollment | | | | | | |
| Fall FTE Students | 17.65 | 93.55 | 184.50 | 221.40 | 36.90 | 203.75 |
| Fall Headcount Students | 36.00 | 168.00 | 310.00 | 378.00 | 68.00 | 342.00 |
| Annualized FTE Students | 32.15 | 109.81 | 218.18 | 264.27 | 46.09 | 232.12 |
| Fall Revenue Associated with Cohort | | | | | | |
| Tuition Revenue | \$99,753 | \$459,241 | \$905,514 | \$1,055,012 | \$149,498 | \$955,259 |
| E&G Fee Revenue | 14,724 | 76,054 | 163,660 | 195,113 | 31,453 | 180,389 |
| Auxiliary Fee Revenue | 0 | 0 | 0 | | 0 | 0 |
| Institutional Financial Aid <i>(negative number)</i> | (5,423) | (12,857) | (29,286) | (29,125) | 161 | (23,703) |
| Net Revenue | \$109,055 | \$522,438 | \$1,039,888 | \$1,221,000 | \$181,112 | \$1,111,946 |
| Revenue Increase due to Normal Rate Changes | | \$3,334 | \$18,102 | \$26,077 | \$7,975 | \$26,077 |

Observations:

Both undergraduate and graduate students are enrolled at the Philadelphia site. Since fall 2013, headcount and FTE have increased dramatically. Headcount has increased by 125% since fall 2014. Headcount and FTEs (calculated by academic career level) use fall freeze data and will not correspond exactly to revenue which is end-of-term data. FTEs are calculated on the total number of credits in which the students were enrolled at the freeze regardless of course location, as the 10% differential is applied at the student level and not at the course level. Annualized FTEs for the current year 2016/17 were approximated as scheduling had not yet been completed for spring 2017 and summer 1 2017 terms. Percent Pell in the chart above is calculated based on the entire student population. Using only the undergraduates, 51% of the Philadelphia students are Pell recipients (110/215).

In addition to the above data, there have been 17 program completers in undergraduate programs and 37 program completers in graduate programs in the last three years. Summer enrollment at the Philadelphia location has averaged over 50 students in each of the past two years. Applications for the Philadelphia programs have increased 60 percent from 178 in fall 2014 (beginning of the pilot program) to 285 in fall 2016.

Admissions data reflect the interest in the degree programs West Chester offers at the State System's Center City site. The table below details undergraduate and graduate application counts, acceptance rates, and enrollments over the past five fall semesters.

Philadelphia Campus Admissions Data

COMPLETED APPLICATIONS

| Location | Acad Plan | Acad Plan Description | Fall 12 | Fall 13 | Fall 14 | Fall 15 | Fall 16 |
|--|-----------|--------------------------------|----------|-----------|-----------|------------|------------|
| PHL | A187 | Social Work BSW (Phila) | | 5 | 61 | 54 | 75 |
| PHL | S120 | Criminal Justice BS (Phila) | | | 27 | 40 | 13 |
| PHL | S168 | Nursing BSN: RN (Phila) | | | 2 | 46 | 57 |
| Total UG Completed Applications | | | 0 | 5 | 90 | 140 | 145 |
| PHL | A507 | Commun. Studies MA (Phila) | | | | 7 | 7 |
| PHL | E154 | Special Education MED (Phila) | 1 | 6 | 6 | | |
| PHL | S177 | Social Work MSW (Phila) | | 28 | 60 | 106 | 111 |
| PHL | S537 | Criminal Justice MS (Phila) | | 5 | 20 | 27 | 22 |
| PHL | T160 | Spec Ed: PK-8 TCHGCERT (Phila) | | 4 | 2 | | |
| Total G Completed Applications | | | 1 | 43 | 88 | 140 | 140 |

ACCEPTS

| Location | Acad Plan | Acad Plan Description | Fall 12 | Fall 13 | Fall 14 | Fall 15 | Fall 16 |
|-------------------------------------|-----------|--------------------------------|----------|-----------|-----------|------------|------------|
| PHL | A187 | Social Work BSW (Phila) | | 3 | 34 | 45 | 60 |
| PHL | S120 | Criminal Justice BS (Phila) | | | 15 | 34 | 9 |
| PHL | S168 | Nursing BSN: RN (Phila) | | | | 30 | 50 |
| Total UG Accepted Applicants | | | 0 | 3 | 49 | 109 | 119 |
| PHL | A507 | Commun. Studies MA (Phila) | | | | 6 | 6 |
| PHL | E154 | Special Education MED (Phila) | 1 | 4 | 4 | | |
| PHL | S177 | Social Work MSW (Phila) | | 22 | 47 | 59 | 72 |
| PHL | S537 | Criminal Justice MS (Phila) | | 5 | 19 | 22 | 15 |
| PHL | T160 | Spec Ed: PK-8 TCHGCERT (Phila) | | 4 | 1 | | |
| Total G Accepted Applicants | | | 1 | 35 | 71 | 87 | 93 |

ENROLLED NEW STUDENTS

| Location | Acad Plan | Acad Plan Description | Fall 12 | Fall 13 | Fall 14 | Fall 15 | Fall 16 |
|---------------------------------------|-----------|--------------------------------|----------|-----------|-----------|-----------|-----------|
| PHL | A187 | Social Work BSW (Phila) | | | 24 | 28 | 39 |
| PHL | S120 | Criminal Justice BS (Phila) | | 1 | 11 | 26 | 7 |
| PHL | S168 | Nursing BSN: RN (Phila) | | | | 30 | 38 |
| Total New UG Enrolled Students | | | 0 | 1 | 35 | 84 | 84 |
| PHL | A507 | Commun. Studies MA (Phila) | | | | 7 | 3 |
| PHL | E154 | Special Education MED (Phila) | 1 | 3 | 2 | | |
| PHL | S177 | Social Work MSW (Phila) | | 22 | 48 | 43 | 39 |
| PHL | S179 | Social Work MSW, Adv St, Phila | | | | | 7 |
| PHL | S537 | Criminal Justice MS (Phila) | | 4 | 13 | 12 | 6 |
| Total New G Enrolled Students | | | 1 | 29 | 63 | 62 | 55 |

Note: The shift in categories for enrolled new graduate students reflects a teach-out of Special Education PK-8 Teaching Certification and the addition of a cohort of advanced standing Master's of Social Work students in fall 2016.

Commitment to Access

As part of West Chester's access mission, the university wanted to serve both nonmajority and Pell-eligible students at the Center City location. Given the demographic base of the location, it was expected that both nonmajority and Pell-eligible students would be served at a higher rate than at the West Chester campus, and this has been the case.

For fall 2016, 74.6 percent of students at this site are nonmajority students and 51.0 percent of the undergraduates are Pell recipients. As noted in the table above, these percentages have

remained relatively constant in the past two years and reflect a positive impact on underrepresented and economically disadvantaged students. In this context, the pilot program at the Center City site has helped to serve West Chester's access mission.

The pricing pilot has not only met or exceeded access, enrollment, and revenue goals, but it has also allowed the university to serve a population of students it otherwise would have been unable to serve. The programs in Philadelphia lend themselves to a cohort model in which students get to know each other well and form a learning community—something that is typically not possible on a large campus. This past spring, the first cohorts of students graduated from both the undergraduate and graduate social work programs. At ceremonies celebrating their graduations that were held in Philadelphia, both groups of students presented awards to outstanding students in the programs. These awards were organized by the students and the students themselves selected the recipients. Student after student shared stories of the ways in which the Philadelphia site gave them educational opportunities they otherwise would not have had.

Relationship with Other Existing University Practices

This pilot remains West Chester University's only current alternative pricing strategy. Several lessons were learned during the execution of this pilot. The pricing pilot was a key ingredient for success, but it was also important to establish a West Chester presence at the Center City site with staff on the ground to recruit students and to help with student services such as course scheduling, enrollment, financial aid assistance, writing tutoring, and other student support services. Though the university cannot offer the full suite of amenities at the Center City site that is available on main campus, staff at the site worked hard to provide students the support needed to enhance and promote their learning and to ensure the focus is on student success, not just access.

Conclusion

In this context, the pilot exceeded original expectations and certainly fulfilled its intended purpose. A population of students is being served in Center City that would simply be unable to attend classes on the main campus, and West Chester is delighted to have the opportunity to be part of the State System in Center City. It has also provided a framework to explore other pilots specifically related to student access and success.

The West Chester University Council of Trustees approved the initial pilot and supports the continuation of this pricing practice.



Resolution Honoring the Contributions of Dr. George F. Harpster

WHEREAS, Dr. George F. Harpster served Shippensburg University of Pennsylvania in various positions of leadership, including as university president, for more than twenty years; and

WHEREAS, during the tenure of Dr. George F. Harpster as president, Shippensburg University of Pennsylvania greatly expanded educational opportunities for students through the development of multiple new academic programs, including the university's first two doctoral programs—in educational leadership and counselor education and supervision—and the first electrical engineering degree in the State System; and

WHEREAS, under the leadership of Dr. George F. Harpster, Shippensburg University was regularly listed among the top universities in the northeastern United States in *U.S. News & World Report's* annual rankings and received numerous other recognitions, including being named a "Military Friendly School" for 2017 and being listed on the President's Higher Education Community Service Honor Roll; and

WHEREAS, further under his leadership, the university recently concluded a \$69 million capital campaign, exceeding its fundraising goal by more than 150 percent; and

WHEREAS, as university president, Dr. George F. Harpster forged significant partnerships with the business community, helping to nurture and improve economic, entrepreneurial, and workforce development throughout the region; and

WHEREAS, Dr. George F. Harpster recently retired as president of Shippensburg University of Pennsylvania;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Governors of Pennsylvania's State System of Higher Education expresses its sincere appreciation for these and the many other contributions Dr. George F. Harpster has made to public higher education and to the students of Shippensburg University of Pennsylvania throughout his career.

Unanimously adopted by the Board
April 6, 2017


Cynthia D. Shapira, Chairwoman



Resolution Honoring the Contributions of Dr. David L. Soltz

WHEREAS, Dr. David L. Soltz has served as president of Bloomsburg University of Pennsylvania since January 2008; and

WHEREAS, during his nine-year tenure as president of Bloomsburg University of Pennsylvania, Dr. David L. Soltz introduced innovative programs and initiatives, including *MyCore*, which has become a national model for enhancing learning opportunities for all students and preparing them for personal and professional success; and

WHEREAS, Dr. David L. Soltz advanced Bloomsburg University of Pennsylvania's mission and its reputation through the creation of the McDowell Institute for Teacher Excellence, the Zeigler Institute for Professional Development, the Center for Supply Chain Management, the Center for Visual and Performing Arts, the Center for Leadership and Engagement, the Center for Healthy Aging, the Center for Earth and Environmental Studies, and the Institute for Concussion Research and Services; and

WHEREAS, Dr. David L. Soltz advanced the mission of the entire State System by consistently offering his own time, and that of his staff, for vital system-wide initiatives and for the development of academic, organizational, and operational efforts, such as Bloomsburg's management of the State System's procurement process and various shared services on behalf of other universities; and

WHEREAS, Dr. David L. Soltz announced his intention to retire as president of Bloomsburg University of Pennsylvania, effective July 2017,

NOW, THEREFORE, BE IT RESOLVED, that the Board of Governors of Pennsylvania's State System of Higher Education expresses its sincere appreciation for these and the many other contributions Dr. David L. Soltz has made to public higher education and to the students of Bloomsburg University of Pennsylvania; and

BE IT FURTHER RESOLVED, that the Board of Governors in recognition of his outstanding legacy bestows the title of *President Emeritus* on Dr. David L. Soltz, with all of the rights and responsibilities granted and associated with the title.

Unanimously adopted by the Board
April 6, 2017

Cynthia D. Shapira, Chairwoman