

# **Appropriations Request 2007-08**

**The Pennsylvania State  
System of Higher Education:  
Returning Value,  
Delivering Results**



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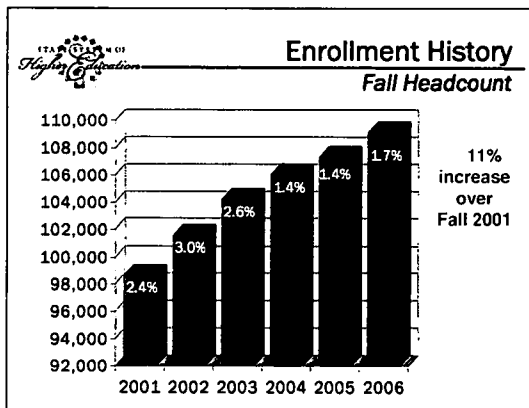
Fiscal Year 2007-08 Appropriations Request

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# The Pennsylvania State System of Higher Education: Returning Value, Delivering Results

The Pennsylvania State System of Higher Education (PASSHE), through its 14 member Universities, provides a valuable public service to the Commonwealth – educating more than 109,000 students annually while enhancing the quality of life of the citizenry and helping to ensure Pennsylvania's continued economic growth and prosperity.



Beyond their demonstrated achievements in delivering high-quality, affordable education to students, PASSHE Universities serve as the social and cultural centers of their communities. They are the economic engines that power their local economies. Typically, they are among the largest employers within their regions, pumping millions of dollars into local and regional economies and billions statewide.

A recent study conducted on behalf of PASSHE estimated that the State System and its 14 Universities have an annual economic impact on the Commonwealth of \$4.47 billion. Stated differently, the study indicated that for every \$1 invested in PASSHE

by the Commonwealth, the Universities return more than \$10 in economic impact. That includes total spending by the Universities, as well as spending by faculty and staff, students and their families, and other campus visitors.

PASSHE ranks as the 15<sup>th</sup> largest employer in the Commonwealth, with more than 12,000 salaried employees. Indirectly, the Universities are responsible for another 39,000 jobs statewide, from the contractors and their employees who work on campus buildings to those who are employed by the literally hundreds of small businesses that operate in and around the campus communities.

In fulfilling its role as Pennsylvania's public university system, PASSHE helps other employers in the Commonwealth meet their needs, as well, by offering a variety of workforce development and job-training initiatives. The Small Business Development Centers (SBDCs) and business accelerators the Universities operate, and the extensive collaborative ventures in which they engage with state and local governments, community, cultural and other educational institutions, help stimulate economic growth in virtually every corner of Pennsylvania.

PASSHE Universities are a magnet for visitors from other regions and states. These visitors, including prospective students, parents and many of the more than 620,000 PASSHE alumni – 405,000 of whom reside in Pennsylvania – who return to campus

to attend a variety of on-campus programs, spend money locally, with considerable effect on the economies of local communities.

University, faculty, staff, student and visitor demand for goods and services creates direct and multiple indirect expenditures in Pennsylvania's counties and the state, helping to boost further the very real and very significant return on the Commonwealth's investment in PASSHE.

### **Leading the Way**

PASSHE is committed to achieving its mission of educating and preparing students at all levels for personal and professional success in their lives, and to contributing to the economic, social and cultural development of Pennsylvania's communities, the Commonwealth and the nation.

PASSHE's Board of Governors, in July 2004, adopted a five-year strategic plan titled "Leading the Way" that is helping to ensure the System reaches new levels of academic and operating excellence. In doing so, PASSHE is taking its place among the nation's leading systems of public universities, recognized for "excellence in undergraduate education" and for its "responsiveness to state, regional and national needs through quality graduate and undergraduate programs, research and service."

The strategic plan identified five core areas on which PASSHE is focused:

- **Student Achievement and Success**
- **University and System Excellence**

- **Commonwealth Service**

- **Resource Development and Stewardship**

- **Public Leadership**

PASSHE Universities already are meeting – even exceeding – many of the performance targets that are laid out in the strategic plan and that are integral components of the System Accountability and Performance Funding programs.

Both student retention and graduation rates are rising. So are the number of students transferring from community colleges and the number of students taking courses via distance education, enabling the PASSHE Universities to make the most of their resources while reaching out to more and more non-traditional students in their homes.

The number of accredited programs offered by the Universities also is increasing, as is private giving to help provide more student scholarships, expand technology and build better classrooms.

### **Performance and Accountability**

PASSHE has developed a culture of accountability that permeates everything it does, and that has become a national model.

More than six years ago PASSHE became one of only a few public university systems in the nation to implement performance funding. The program was designed to encourage PASSHE Universities to improve both academically and in their operational

efficiency and productivity, and to reward them when they do. The Universities must show progress in relation to their own past performance, in comparison to their peers across the nation and in regard to the System's performance targets aligned with the strategic plan in order to qualify for a share of the funding each year.

As its expectations have risen even higher, the Board of Governors has increased the amount of performance funding available to the Universities – raising the funding level from \$2 million in the first year of the program to \$37.4 million in 2006-07. The majority of dollars used for performance funding come directly from PASSHE's educational and general (E&G) appropriation from the Commonwealth. The remainder is allocated as part of the Program Initiatives line item.

PASSHE's System Accountability Program (SAP) includes both quantitative and qualitative performance measures and objectives to further ensure the Universities meet their most important goals, as well as System-wide objectives. The performance targets included within the strategic plan were intended to be "challenging yet achievable long-term goals" that the Universities would strive to obtain by 2009. Some of the targets already have been achieved; many more are within sight.

### **Excellence and Affordability**

While assuring the success of students is PASSHE's top priority, it also is understood that as Pennsylvania's

public universities, they must remain affordable.

PASSHE's Board of Governors is committed to keeping tuition low so that every Pennsylvanian who wants to pursue a college education can afford to do so. While annual tuition increases have been necessary in order to assure academic quality, that commitment to access and affordability has resulted in tuition increases in each of the past four years that have been only about one-third to one-half the average imposed by public universities and university systems across the United States.

The Board of Governors, in July, approved a 2.7% tuition increase for the 2006-07 school year that was the fourth lowest in PASSHE's more than 20-year history. The national average for tuition increases at public colleges and universities this fall was more than 6%.

PASSHE's current annual tuition rate of \$5,038 is the lowest among all four-year colleges and universities in the Commonwealth. The total cost of attendance – tuition, required fees, room and board – is below the national average among all public colleges and universities in the nation this fall, according to a just-released report by The College Board.

High quality education offered at an affordable price – provided in partnership with the Commonwealth – remains the hallmark of PASSHE and its 14 Universities.

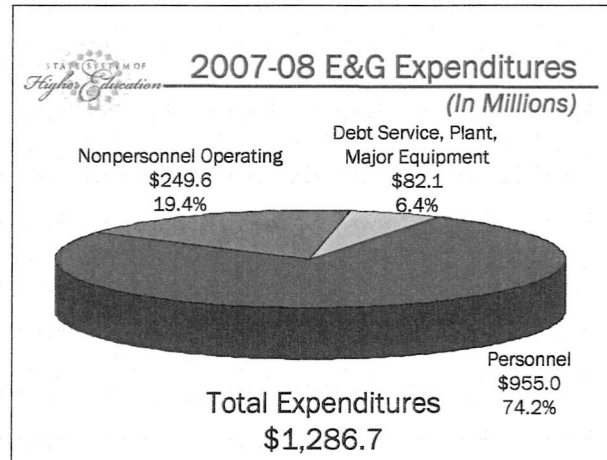
## 2007-08 Appropriations Requests

Educational and General Appropriation (E&G).....\$495.7 million

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

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

**Employee Salaries**—PASSHE is negotiating new collective bargaining agreements with several of its unions, and the Commonwealth has been negotiating with all coalition units. Because no future contractual obligations were known when this request was submitted, only the remaining funding necessary to cover midyear salary increases in 2006-07, the final year of the current contracts, has been included. No other contractual salary increases have been incorporated into PASSHE's 2007-08 budget



estimates. On average, union contracts require an increase in salaries of 1.7% to fulfill the 2006-07 obligations. Minimal changes in complement to support enrollment increases and adjustments to wages also contribute to a total estimated increase in employee salaries and wages of \$13.3 million, or 2.0%.

**Employee Benefits**—Social Security and retirement costs increase as salaries and wages increase. In recent years, budget estimates included significant increases in the State Employee Retirement System (SERS) contribution rate. At this point in time, based upon Commonwealth budget instructions, no increase in this rate has been anticipated in the projections for 2007-08. In addition, PASSHE employees participate in several different health care programs, for which preliminary estimates of cost increases vary. In general, national trends indicate health care costs are continuing to rise, but at a slower rate of growth than in recent years. Based upon Commonwealth budget instructions,

no increased costs associated with active employees covered by the Pennsylvania Employee Benefit Trust Fund (PEBTF) have been anticipated. However, increases in PEBTF retiree health care and in the System-managed health care plans have been included at various rates, based upon preliminary estimates of costs and usage. The overall impact of all of these benefit costs and changes in employee plan enrollments, is a 5.2% increase in employee benefits.

**Utilities**—Growth in natural gas, coal and oil prices has slowed in recent months. Therefore, PASSHE’s projected 2007-08 utility costs reflect an increase of \$4 million, or 8.1%, to address anticipated rate increases and additions to University square footage.

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

(\$ in Millions)	2006-07	2007-08	Increase	
			\$	%
Salaries and wages	\$674.9	\$688.2	\$13.3	2.0%
Benefits	253.7	266.8	13.1	5.2%
<b>Compensation subtotal</b>	<b>\$928.7</b>	<b>\$955.0</b>	<b>\$26.3</b>	<b>2.8%</b>
Utilities	49.6	53.6	4.0	8.1%
All other operating	268.0	278.1	10.1	3.8%
<b>Nonpersonnel subtotal</b>	<b>\$317.6</b>	<b>\$331.7</b>	<b>\$14.1</b>	<b>4.4%</b>
<b>Total</b>	<b>\$1,246.3</b>	<b>\$1,286.7</b>	<b>\$40.4</b>	<b>3.2%</b>

*Note: Numbers may not add due to rounding*

this goal by \$40 million. In order to increase University investment in the life cycle maintenance of its physical plant, an additional \$5 million is incorporated into PASSHE’s proposed 2007-08 budget.

These adjustments result in a proposed 2007-08 E&G operating budget of \$1.3 billion, an increase of \$40.4 million, or 3.2%. To fund this budget increase, the Board of Governors requested an E&G appropriation of \$495.7 million—an increase of \$28.1 million, or 6.0%. No assumptions are made concerning tuition rate increases at this time; however, a tuition increase of approximately 1.0% would be necessary to balance the budget as proposed. The Board will address the remaining budgetary requirements at the conclusion of the budget process, through a tuition increase or other means.

**Special Purpose Appropriations**

Program Initiatives .....\$21.4 million

*Performance Funding.....\$9.9 million*

The Board of Governors has rewarded performance at PASSHE Universities for the last

seven years, with annually increasing amounts. In 2006-07, the performance funding program was funded with \$28.1 million from the E&G appropriation and \$9.4 million from the Program Initiatives line




item, for a total of \$37.4 million, equivalent to 8% of the E&G appropriation. PASSHE is committed to continuing performance funding at this level in 2007-08, partially through the use of \$9.9 million from this line item. Performance funding provided through the Program Initiatives line item will be used to support specialized accreditation of professional programs and increase library holdings.

**Shared Administrative System..... \$5.0 million**

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

**Economic Development.....\$5.0 million**

PASSHE Universities are key partners in state and regional economic development. Their mission-based contribution to economic development includes providing a well-educated and

 <b>2007-08 Proposed Line Items</b>	
	<b>\$ Millions</b>
<b>Program Initiatives</b>	<b>\$21.4</b>
<i>Performance Funding</i>	9.9
<i>Shared Administrative System</i>	5.0
<i>Economic Development</i>	5.0
<i>Educator Excellence</i>	1.5
Diversity and Equal Opportunity	1.7
McKeever Environmental Learning Ctr.	0.6
PA Center for Environmental Education	<u>0.4</u>
<b>Total Line Items</b>	<b>\$24.0</b>

Note: Numbers may not add due to rounding

skilled workforce for Pennsylvania employers. The Universities are partnering with the Commonwealth in other ways, as well. The Governor's Economic Stimulus Package has established programs to support collaboration among businesses and institutions of higher education, such as Keystone Innovation Zones (KIZ). Eleven PASSHE Universities are participating in KIZs. In addition, five Small Business Development Centers (SBDCs) and five business incubators serve regional businesses at PASSHE Universities.

The five economic development initiatives described below will enhance PASSHE's partnerships with the state and with local communities to increase economic development throughout the Commonwealth.

(1) *Entrepreneurial Leadership Centers Initiative (\$1.4 million)* – Funding is sought to develop Entrepreneurial Leadership Centers among PASSHE Universities. Centers will provide program development, mentors and networking opportunities, reference materials, best practices, entrepreneurial seminars and

workshops, entrepreneurial boot camp programs and collaborative opportunities that support and encourage entrepreneurial activities by students and other members of the PASSHE University communities within the regions they serve.

(2) *Internships (\$700,000)* – Funding will be used by the Universities to develop a more systematic and coordinated approach to providing internship opportunities that will accommodate demands of the regional labor markets.

(3) *Planning and Feasibility for University/Business Infrastructure (\$1.4 million)*—Seed money is sought to support feasibility and marketing planning for the creation or expansion of a variety of business infrastructure build-ups, including business incubators, research parks, and/or business learning centers.

(4) *Workforce Development (\$1 million)*—Funding will assist Universities in providing training, equipment and start-up costs for technology-based, workforce development academic programs that address the Commonwealth’s Regional Workforce Investment Boards’ high priority occupations.

(5) *Technology Transfer and Commercialization Resource Network (\$500,000)*—The PASSHE Technology Transfer and Commercialization Resource Network will provide an integrated approach to protecting intellectual property and advancing projects

toward commercialization. In addition to legal and financial services, assistance will be provided with patent searches and applications, negotiation of licensing agreements, equity agreements, stock warrants, etc.

***Educator Excellence.... \$1.5 million***

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

**Diversity and Equal Opportunity..... \$1.7 million**

This \$1.7 million request continues vital System-wide initiatives designed to achieve and promote diversity by serving the educational needs of historically underrepresented students, faculty and staff. These initiatives include programs that (1) expand the nationally acclaimed R. Benjamin Wiley Partnership Program, (2)

enhance joint recruitment activities conducted by admissions personnel, (3) serve students who require necessary accommodations under the Americans with Disabilities Act, (4) add value to campus climate and retention initiatives, and (5) enhance the professional development of women and minority faculty.

comprises three lodges, a 200-seat auditorium, a dining hall, a maintenance building, the director's residence and the discovery building, all located on 205 acres in Mercer County and administered by Slippery Rock University of Pennsylvania. This request provides full funding for operation of the Center in fiscal year 2007-08.

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

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

The Commonwealth created the McKeever Environmental Learning Center in 1974 to assist citizens of all ages in becoming better stewards of the earth's resources. The environmental education programs offered by the McKeever Center meet the needs of students from preschool through, and beyond, college and provide student interns with valuable teaching experience while working in an outdoor setting. The McKeever Center complex

The Pennsylvania Center for Environmental Education is located at Slippery Rock University of Pennsylvania and had been funded by the Commonwealth for several years through the Department of Environmental Protection. Since 2005-06, funding for this Center has been appropriated directly to PASSHE. This request continues funding for the Center in fiscal year 2007-08.

**FY 2007-08 Appropriations Requests**

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

**Governor's Budget Recommendations**

Educational and General Appropriation (E&G).....\$484 million

The Governor's Budget for Fiscal Year 2007-08 recommends the Pennsylvania State System of Higher Education receive an Educational and General appropriation of nearly \$484 million. This amount would represent an increase of \$16.4 million, or 3.5 percent, over the current year's E&G appropriation. PASSHE has requested an increase of \$28.1 million, or 6 percent, in its E&G appropriation for FY 2007-08. The Governor's recommendation, if funded, would cover approximately two-fifths of the System's operating budget cost increases for 2007-08.

2007-08 Educational and General Appropriation (PASSHE Request vs. Governor's Budget)		
<u>PASSHE Appropriation Request</u>	<u>Governor's Budget</u>	<u>Difference</u>
\$495,679,000	\$483,989,000	(\$11,690,000)

**Special Line Item Appropriations**

In addition to the proposed E&G appropriation, the Governor's Budget recommends an additional \$20.3 million in special line item appropriations for PASSHE. This is the same amount PASSHE is receiving this year. PASSHE has requested increases in each of its special line items, as reflected in the chart below:

2007-08 Special Line Item Appropriations (PASSHE Request vs. Governor's Budget)			
	<u>PASSHE Appropriations Request</u>	<u>Governor's Budget</u>	<u>Difference</u>
Program Initiatives	\$21,414,000	\$18,048,000	(\$3,366,000)
Diversity and Equal Opportunity	\$ 1,676,000	\$ 1,619,000	(\$ 57,000)
McKeever Center	\$ 563,000	\$ 216,000	(\$ 347,000)
PA Center for Environmental Education	\$ 380,000	\$ 368,000	(\$ 12,000)

Appendices

## Mission of the Pennsylvania State System of Higher Education

The Pennsylvania State System of Higher Education seeks to be among the nation's leading systems of public universities, recognized for (1) excellence in undergraduate education and (2) responsiveness to state, regional and national needs through quality graduate and undergraduate programs, research and service.

To achieve its potential as a System, the distinct missions and strengths of each University must be advanced at the same time that commonalities are sought to increase efficiency and effectiveness. While the goals and directions of this plan vary from those of previous planning efforts, achieving a productive balance between University autonomy and System collaboration remains an essential component of System planning efforts.

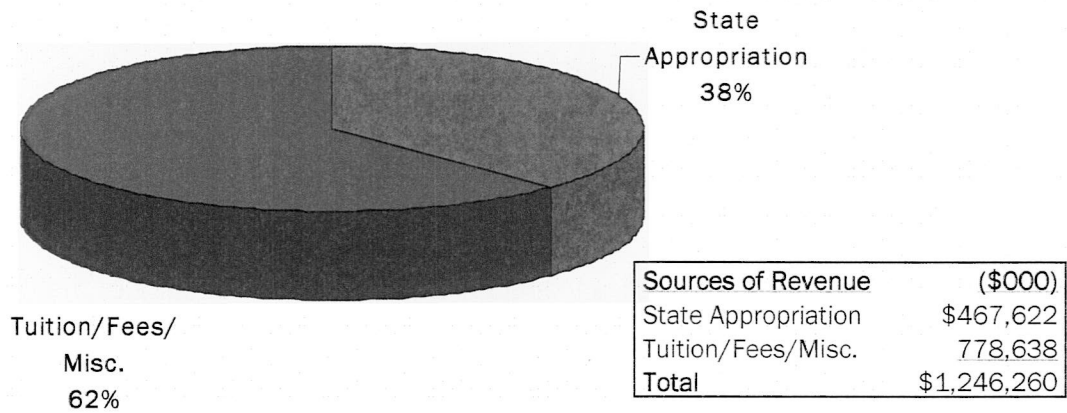
At its core, **the mission of the System is to increase the intellectual wealth of the Commonwealth, to prepare students at all levels for personal and professional success in their lives and to contribute to the economic, social and cultural development of Pennsylvania's communities, the Commonwealth and the nation.** Similarly, the core values that underlie plans, policies and decisions of the System have remained consistent:

- Stimulating intellectual growth by promoting teaching and learning as well as creativity and scholarship;
- Developing and energizing the personal commitment of students, faculty and staff for contributive citizenship, global awareness and social responsibility;
- Promoting diversity as a key element in the intellectual and interpersonal development of members of the University and extended communities;
- Applying knowledge and experience gathered within the Universities to enhance the social and economic well-being of the Commonwealth;
- Practicing effective stewardship of public funds, private contributions and tuition revenues in pursuing the System's public mission; and
- Advocating for the unique role of public higher education in contributing to the life of the Commonwealth and responding to its needs.

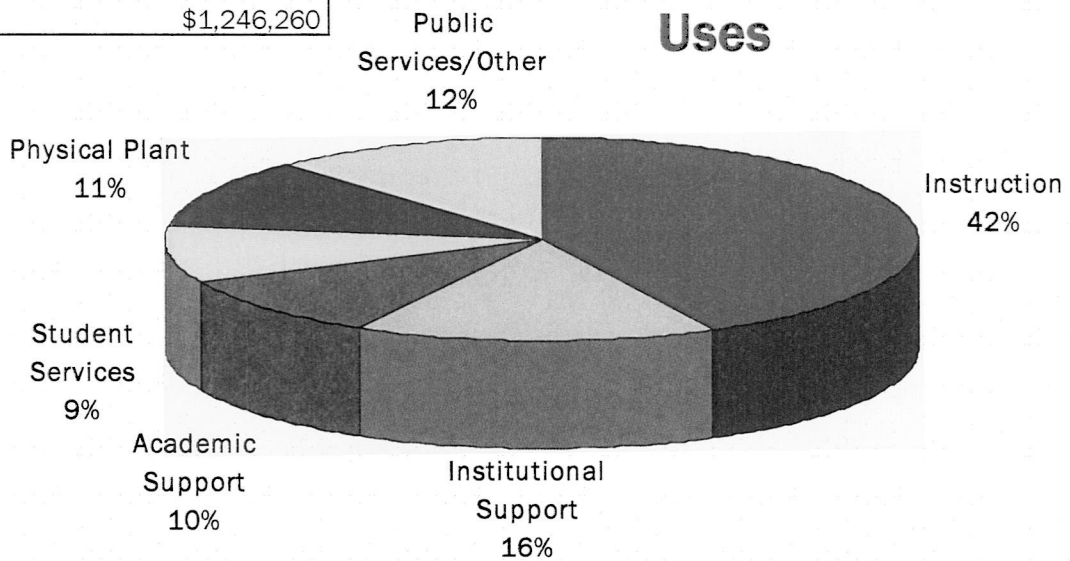
*"Leading the Way"*  
*PASSHE Strategic Plan*  
*Approved by the Board of Governors*  
*July 2004*

## Pennsylvania State System of Higher Education Summary of Sources and Uses FY 2006-07 Educational and General Budget

### Sources



Uses of Revenue	(\$000)
Instruction	\$529,428
Institutional Support	195,710
Academic Support	122,616
Student Services	115,085
Physical Plant	133,682
Public Services/Other	149,739
<b>Total</b>	<b>\$1,246,260</b>



**Pennsylvania State System of Higher Education  
Summary of Educational and General Budget**

(Dollar Amounts in Thousands)

	Actual 2005-06	Current 2006-07	Budget Request 2007-08	Governor's Budget** 2007-08
<b>Source of Funds</b>				
State Appropriation*	\$445,354	\$467,622	\$495,679	\$483,989
Augmentation:				
Educational and General	732,886	778,638	791,018	791,018
Revenue Shortfall**	NA	NA	NA	11,690
<b>Total</b>	<b>\$1,178,240</b>	<b>\$1,246,260</b>	<b>\$1,286,697</b>	<b>\$1,286,697</b>
<b>Use of Funds</b>				
Personnel Expenditures	\$859,882	\$928,659	\$954,978	\$954,978
Operating Expenditures	218,988	239,515	249,627	249,627
Capital Assets/Transfers	99,371	78,086	82,093	82,093
<b>Total</b>	<b>\$1,178,240</b>	<b>\$1,246,260</b>	<b>\$1,286,697</b>	<b>\$1,286,697</b>
<b>Students (FTE)***</b>				
Undergraduate	89,772.96	90,515.90	91,080.09	91,080.09
Graduate	10,616.94	10,854.01	10,985.01	10,985.01
First Professional	NA	NA	NA	NA
<b>Total</b>	<b>100,389.90</b>	<b>101,369.91</b>	<b>102,065.10</b>	<b>102,065.10</b>
<b>Employees (FTE, including Auxiliary)</b>				
Instructional Faculty	5,143.55	5,166.50	5,175.35	5,175.35
Management	1,365.80	1,388.06	1,319.64	1,319.64
All Other Salaried	5,056.11	5,059.03	5,048.20	5,048.20
<b>Total</b>	<b>11,565.46</b>	<b>11,613.59</b>	<b>11,543.19</b>	<b>11,543.19</b>

\*Reflects only Educational and General Appropriation for all three years, exclusive of any additional special purpose line item funding.

\*\*The Governor's recommendation provides a 3.5% increase in funding for the Educational and General Appropriation. This recommendation produces a budgetary shortfall of \$11.7 million.

\*\*\*FTE Student is defined as follows: annual undergraduate credit hours produced divided by 30 credit hours; annual graduate credit hours produced divided by 24 credit hours.



**Pennsylvania State System of Higher Education  
Summary of Special Line Item Appropriation Request**

**Program Initiatives**

(Dollar Amounts in Thousands)

Source of Funds	Actual 2006-07 <sup>1</sup>	Current 2006-07 <sup>2</sup>	Budget Request 2007-08 <sup>3</sup>	Governor's Budget 2007-08
Special Purpose Appropriation	\$16,046	\$18,048	\$21,414	\$18,048
Other State Appropriation <sup>4</sup>	22,268	28,058	29,741	29,039
Tuition/Fees/Other	12,619	12,619	14,965	14,965
Restricted Funds	0	0	0	0
Revenue Shortfall	0	0	0	4,068
<b>Total</b>	<b>\$50,933</b>	<b>\$58,725</b>	<b>\$66,120</b>	<b>\$66,120</b>
<b>Use of Funds</b>				
Personnel Expenditures	\$23,276	\$28,307	\$31,855	\$31,855
Operating Expenditures	27,053	29,757	32,589	32,589
Capital Assets/Transfers	604	661	1,676	1,676
<b>Total</b>	<b>\$50,933</b>	<b>\$58,725</b>	<b>\$66,120</b>	<b>\$66,120</b>
<b>Students (FTE)</b>				
Undergraduate	NA	NA	NA	NA
Graduate	NA	NA	NA	NA
First Professional	NA	NA	NA	NA
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Employees (FTE)<sup>5</sup></b>				
Instructional Faculty	NA	NA	NA	NA
Management	53.82	76.37	76.37	76.37
All Other Salaried	5.28	8.50	8.50	8.50
<b>Total</b>	<b>59.10</b>	<b>84.87</b>	<b>84.87</b>	<b>84.87</b>

<sup>1</sup>PASSHE's FY 2005-06 Program Initiatives line item supported \$2.0 million for Educator Excellence, \$8.9 million for Performance Funding, and \$5.0 million for Shared Administrative System. See page 5 for more information on these initiatives.

<sup>2</sup>PASSHE's FY 2006-07 Program Initiatives Appropriation Request is supporting \$9.4 million for Performance Funding, \$7.3 million for Shared Administrative System, and \$1.4 million for Educator Excellence. See page 5 for more information on these initiatives.

<sup>3</sup>PASSHE's FY 2007-08 Program Initiatives Appropriation Request includes \$9.9 million for Performance Funding, \$5.0 million for Shared Administrative System, \$5.0 million for Economic Development and \$1.5 million for Educator Excellence. See page 5 for more information on these initiatives.

<sup>4</sup>Other State Appropriation is the amount of Educational and General appropriation that is distributed based upon performance. This amount also is included in Appendix C.

<sup>5</sup>Employees are associated with PASSHE's Information Systems Integration Project.

**Pennsylvania State System of Higher Education**  
**Summary of Special Line Item Appropriation Request**  
**Employee Health (PEBTF) Assessment**  
(Dollar Amounts in Thousands)

Source of Funds	Actual 2005-06	Current 2006-07	Budget Request 2007-08	Governor's Budget 2007-08
State Appropriation	\$1,700	\$0	\$0	\$0
Tuition/Fees/Other	0	0	0	0
Restricted Funds	0	0	0	0
<b>Total</b>	<b>\$1,700</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Use of Funds</b>				
Personnel Expenditures	\$1,700	\$0	\$0	\$0
Operating Expenditures	0	0	0	0
Capital Assets/Transfers	0	0	0	0
<b>Total</b>	<b>\$1,700</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Students (FTE)</b>				
Undergraduate	NA	NA	NA	NA
Graduate	NA	NA	NA	NA
First Professional	NA	NA	NA	NA
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Employees (FTE)</b>				
Instructional Faculty	NA	NA	NA	NA
Management	0.00	0.00	0.00	0.00
All Other Salaried	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**Pennsylvania State System of Higher Education  
Summary of Special Line Item Appropriation Request**

**Diversity and Equal Opportunity**

**(Recruitment of the Disadvantaged/Affirmative Action)**

(Dollar Amounts in Thousands)

Source of Funds	Actual 2005-06	Current 2006-07	Budget Request 2007-08	Governor's Budget 2007-08
State Appropriation	\$1,541	\$1,619	\$1,676	\$1,619
Tuition/Fees/Other	139	0	0	0
Restricted Funds	0	0	0	0
Revenue Shortfall	0	0	0	57
<b>Total</b>	<b>\$1,680</b>	<b>\$1,619</b>	<b>\$1,676</b>	<b>\$1,676</b>
<b>Use of Funds</b>				
Personnel Expenditures	\$41	\$39	\$41	\$41
Operating Expenditures	1,636	1,577	1,633	1,633
Capital Assets/Transfers	3	2	3	3
<b>Total</b>	<b>\$1,680</b>	<b>\$1,619</b>	<b>\$1,676</b>	<b>\$1,677</b>
<b>Students (FTE)</b>				
Undergraduate	NA	NA	NA	NA
Graduate	NA	NA	NA	NA
First Professional	NA	NA	NA	NA
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Employees (FTE)</b>				
Instructional Faculty	NA	NA	NA	NA
Management	1.25	1.25	1.25	1.25
All Other Salaried	1.00	1.00	1.00	1.00
<b>Total</b>	<b>2.25</b>	<b>2.25</b>	<b>2.25</b>	<b>2.25</b>

Note: Employee FTE numbers reflect permanent personnel administering the program. Operating expenditures include grant money associated with funding other personnel expenses throughout the System.

**Pennsylvania State System of Higher Education  
Summary of Special Line Item Appropriation Request  
McKeever Environmental Learning Center**

(Dollar Amounts in Thousands)

Source of Funds	Actual 2005-06	Current 2006-07	Budget Request 2007-08	Governor's Budget 2007-08
Special Purpose Appropriation	\$206	\$216	\$563	\$216
Other State Appropriation*	315	328	0	0
Tuition/Fees/Other	299	273	277	277
Restricted Funds	0	0	0	0
Revenue Shortfall	0	0	0	347
<b>Total</b>	<b>\$820</b>	<b>\$817</b>	<b>\$840</b>	<b>\$840</b>
<b>Use of Funds</b>				
Personnel Expenditures	\$471	\$515	\$538	\$538
Operating Expenditures	339	302	302	302
Capital Assets/Transfers	10	0	0	0
<b>Total</b>	<b>\$820</b>	<b>\$817</b>	<b>\$840</b>	<b>\$840</b>
<b>Students (FTE)</b>				
Undergraduate	NA	NA	NA	NA
Graduate	NA	NA	NA	NA
First Professional	NA	NA	NA	NA
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Employees (FTE)</b>				
Instructional Faculty	NA	NA	NA	NA
Management	1.00	1.00	1.00	1.00
All Other Salaried	8.00	8.00	8.00	8.00
<b>Total</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>

\*McKeever Center currently (FY 2006-07) requires \$543,731 in appropriations to perform its mission. The current special purpose appropriation of \$216,000 meets 39.7% of the Center's need, which is subsidized with \$327,731 of PASSHE's Educational and General Appropriation, at the expense of the System Universities, to ensure the Center's viability.

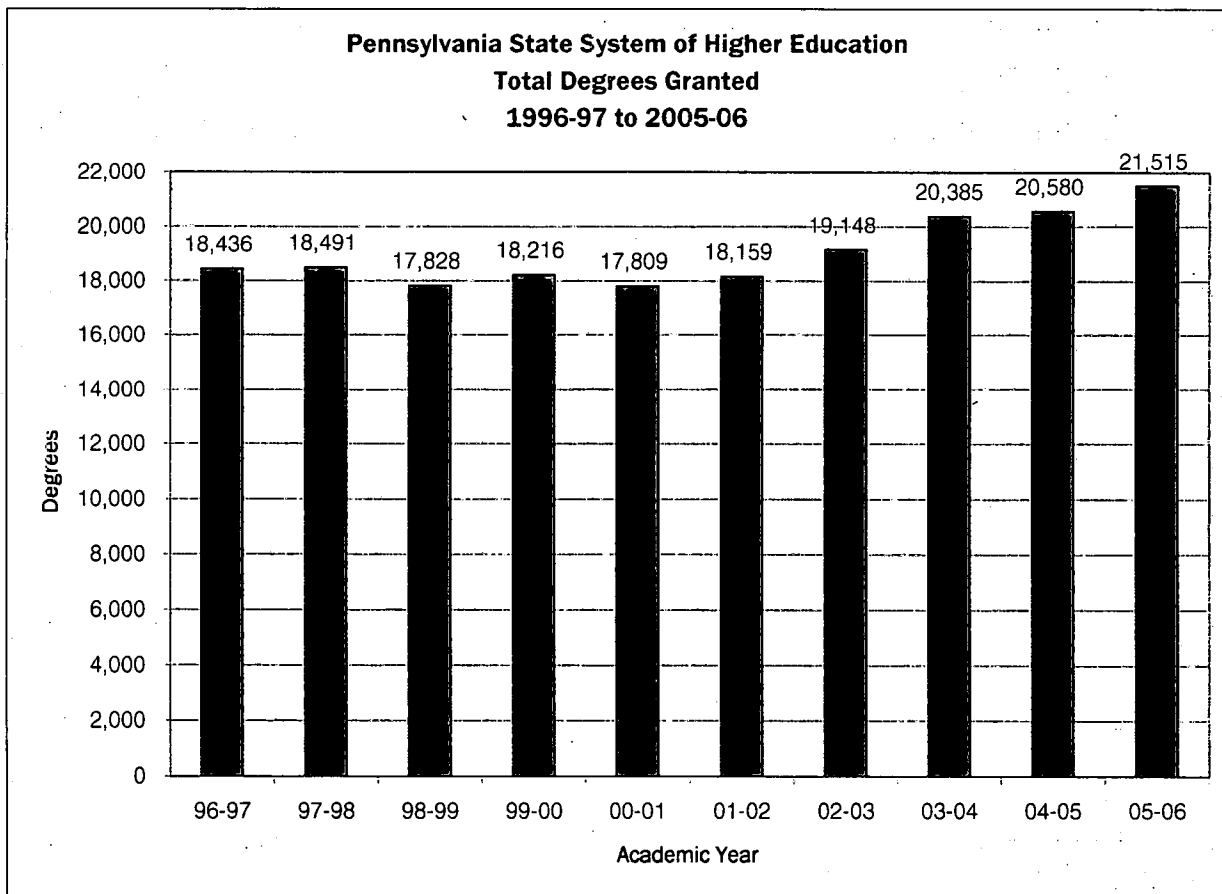
**Pennsylvania State System of Higher Education  
Summary of Special Line Item Appropriation Request  
Pennsylvania Center for Environmental Education**

(Dollar Amounts in Thousands)

Source of Funds	Actual 2005-06	Current 2006-07	Budget Request 2007-08	Governor's Budget 2007-08
Special Purpose Appropriation	\$350	\$368	\$380	\$368
Other State Appropriation*	0	0	0	0
Tuition/Fees/Other	0	0	0	0
Restricted Funds	0	0	0	0
Revenue Shortfall	0	0	0	12
<b>Total</b>	<b>\$350</b>	<b>\$368</b>	<b>\$380</b>	<b>\$380</b>
<b>Use of Funds</b>				
Personnel Expenditures	\$177	\$200	\$207	\$207
Operating Expenditures	173	168	173	173
Capital Assets/Transfers	0	0	0	0
<b>Total</b>	<b>\$350</b>	<b>\$368</b>	<b>\$380</b>	<b>\$380</b>
<b>Students (FTE)</b>				
Undergraduate	NA	NA	NA	NA
Graduate	NA	NA	NA	NA
First Professional	NA	NA	NA	NA
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>
<b>Employees (FTE)</b>				
Instructional Faculty	NA	NA	NA	NA
Management	1.00	1.00	1.00	1.00
All Other Salaried	3.00	3.00	3.00	3.00
<b>Total</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>

**Pennsylvania State System of Higher Education  
Academic Program Data**

Program Measure	Actual 2005-06	Projected 2006-07	Projected 2007-08
Associate Degrees Awarded	340	384	384
Bachelors Degrees Awarded	16,962	17,138	17,364
Graduate Degrees Awarded	4,213	4,278	4,394
Total Degrees Awarded	21,515	21,800	22,142



## Pennsylvania State System of Higher Education

Applications, Acceptances, and Enrollments\*  
of Pennsylvania Residents, by Race, 1997-2006

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>AFRICAN AMERICAN</b>										
Applications	5,090	4,998	5,864	5,801	6,362	6,869	7,980	9,838	10,717	13,195
Acceptances	2,719	2,627	3,315	3,062	2,999	3,747	4,025	4,631	4,983	5,633
Enrollments	1,062	1,014	1,125	1,121	1,226	1,287	1,538	1,594	1,810	1,800
Percent Accepted	53.4%	52.6%	56.5%	52.8%	47.1%	54.5%	50.4%	47.1%	46.5%	42.7%
Percent Accepted Who Enroll	39.1%	38.6%	33.9%	36.6%	40.9%	34.3%	38.2%	34.4%	36.3%	32.0%
Percent Applied Who Enroll	20.9%	20.3%	19.2%	19.3%	19.3%	18.7%	19.3%	16.2%	16.9%	13.6%
<b>LATINO</b>										
Applications	700	851	706	739	929	1,333	1,209	1,610	1,727	1,999
Acceptances	482	550	458	475	597	878	763	994	1,052	1,156
Enrollments	193	243	179	203	250	319	319	386	426	434
Percent Accepted	68.9%	64.6%	64.9%	64.3%	64.3%	65.9%	63.1%	61.7%	60.9%	57.8%
Percent Accepted Who Enroll	40.0%	44.2%	39.1%	42.7%	41.9%	36.3%	41.8%	38.8%	40.5%	37.5%
Percent Applied Who Enroll	27.6%	28.6%	25.4%	27.5%	26.9%	23.9%	26.4%	24.0%	24.7%	21.7%
<b>AMERICAN INDIAN OR ALASKAN NATIVE</b>										
Applications	125	144	96	121	135	123	135	152	147	214
Acceptances	91	92	64	76	88	80	86	109	106	118
Enrollments	47	48	29	36	42	39	38	44	48	44
Percent Accepted	72.8%	63.9%	66.7%	62.8%	65.2%	65.0%	63.7%	71.7%	72.1%	55.1%
Percent Accepted Who Enroll	51.6%	52.2%	45.3%	47.4%	47.7%	48.8%	44.2%	40.4%	45.3%	37.3%
Percent Applied Who Enroll	37.6%	33.3%	30.2%	29.8%	31.1%	31.7%	28.1%	28.9%	32.7%	20.6%
<b>ASIAN OR PACIFIC ISLANDER</b>										
Applications	567	609	705	641	734	830	767	846	893	1,061
Acceptances	384	429	484	432	496	566	518	552	594	667
Enrollments	124	127	141	152	156	188	162	187	196	182
Percent Accepted	67.7%	70.4%	68.7%	67.4%	67.6%	68.2%	67.5%	65.2%	66.5%	62.9%
Percent Accepted Who Enroll	32.3%	29.6%	29.1%	35.2%	31.5%	33.2%	31.3%	33.9%	33.0%	27.3%
Percent Applied Who Enroll	21.9%	20.9%	20.0%	23.7%	21.3%	22.7%	21.1%	22.1%	21.9%	17.2%
<b>UNKNOWN**</b>										
Applications						1,107	3,065	4,446	3,996	4,581
Acceptances						752	1,932	2,828	2,524	2,512
Enrollments						299	718	1,002	865	829
Percent Accepted						67.9%	63.0%	63.6%	63.2%	54.8%
Percent Accepted Who Enroll						39.8%	37.2%	35.4%	34.3%	33.0%
Percent Applied Who Enroll						27.0%	23.4%	22.5%	21.6%	18.1%
<b>WHITE</b>										
Applications	45,117	44,586	43,905	45,418	46,506	48,008	47,122	47,370	46,023	48,247
Acceptances	32,899	32,508	32,978	32,835	33,622	34,387	33,656	34,201	33,148	34,040
Enrollments	13,944	13,898	14,140	14,730	14,634	13,830	14,769	14,172	14,132	14,053
Percent Accepted	72.9%	72.9%	75.1%	72.3%	72.3%	71.6%	71.4%	72.2%	72.0%	70.6%
Percent Accepted Who Enroll	42.4%	42.8%	42.9%	44.9%	43.5%	40.2%	43.9%	41.4%	42.6%	41.3%
Percent Applied Who Enroll	30.9%	31.2%	32.2%	32.4%	31.5%	28.8%	31.3%	29.9%	30.7%	29.1%
<b>TOTAL</b>										
Applications	51,599	51,188	51,276	52,720	54,666	57,163	60,278	64,262	63,503	69,297
Acceptances	36,575	36,206	37,299	36,880	37,802	39,658	40,980	43,315	42,407	44,126
Enrollments	15,370	15,330	15,614	16,242	16,308	15,663	17,544	17,385	17,477	17,342
Percent Accepted	70.9%	70.7%	72.7%	70.0%	69.2%	69.4%	68.0%	67.4%	66.8%	63.7%
Percent Accepted Who Enroll	42.0%	42.3%	41.9%	44.0%	43.1%	39.5%	42.8%	40.1%	41.2%	39.3%
Percent Applied Who Enroll	29.8%	29.9%	30.5%	30.8%	29.8%	27.4%	29.1%	27.1%	27.5%	25.0%

\*First-Time Freshmen

\*\*Unknown Ethnicity First Reported in 2002

Bloomsburg University of Pennsylvania  
*Dr. Jessica S. Kozloff, President*

California University of Pennsylvania  
*Dr. Angelo Armenti Jr., President*

Cheyney University of Pennsylvania  
*Mr. Wallace C. Arnold, Interim President*

Clarion University of Pennsylvania  
*Dr. Joseph P. Grunenwald, President*

East Stroudsburg University of Pennsylvania  
*Dr. Robert J. Dillman, President*

Edinboro University of Pennsylvania  
*Dr. Frank G. Pogue Jr., President*

Indiana University of Pennsylvania  
*Dr. Tony Atwater, President*

Kutztown University of Pennsylvania  
*Dr. F. Javier Cevallos, President*

Lock Haven University of Pennsylvania  
*Dr. Keith T. Miller, President*

Mansfield University of Pennsylvania  
*Dr. Maravene S. Loeschke, President*

Millersville University of Pennsylvania  
*Dr. Francine G. McNairy, President*

Shippensburg University of Pennsylvania  
*Dr. William N. Ruud, President*

Slippery Rock University of Pennsylvania  
*Dr. Robert M. Smith, President*

West Chester University of Pennsylvania  
*Dr. Madeleine Wing Adler, President*

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