



Appropriations Request 2008-09

**The Pennsylvania State
System of Higher Education:
Quality + Affordability = Value**



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February 2008

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

Fiscal Year 2008-09 Appropriations Request

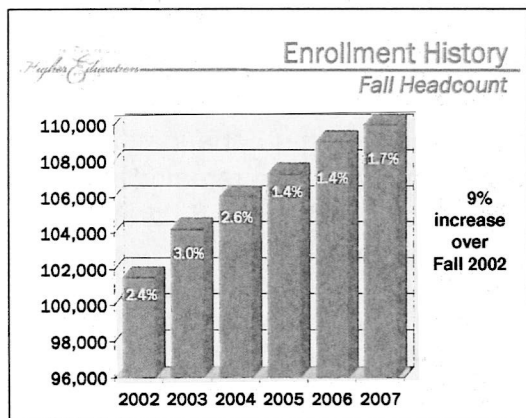
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The Pennsylvania State System of Higher Education: Quality + Affordability = Value

Quality and affordability are the hallmarks of the Pennsylvania State System of Higher Education (PASSHE) and its 14 member universities – Bloomsburg, California, Cheyney, Clarion, East Stroudsburg, Edinboro, Indiana, Kutztown, Lock Haven, Mansfield, Millersville, Shippensburg, Slippery Rock and West Chester Universities of Pennsylvania. Combined, they produce real value for PASSHE's more than 110,000 students and the Commonwealth.

As the largest provider of higher education in the Commonwealth, PASSHE strives to provide the highest quality education at the lowest possible cost. Nearly 90 percent of the



students who attend PASSHE Universities are Pennsylvania residents, and more than four out of every five PASSHE graduates remain in the Commonwealth, either to take their first job or to continue their education here. PASSHE alumni who live and work in the Commonwealth generate an aggregate annual income of nearly \$7 billion, contributing significantly to the state's economy.

PASSHE Universities help businesses and entrepreneurs across the Commonwealth meet their needs, not only by supplying them with a well-trained workforce, but also by providing a variety of career 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.

Quality Education

PASSHE has long been known for training teachers for the Pre-K through 12th grade schools across the Commonwealth. Indeed, PASSHE Universities educate the majority of classroom teachers who graduate from Pennsylvania institutions each year.

All 14 PASSHE Universities are accredited by the National Council for the Accreditation of Teacher Education (NCATE). Only four other Pennsylvania institutions have achieved this stamp of approval. As they complete their programs of study, the pass rate of PASSHE students on the teacher certification exam (PRAXIS) is almost 96 percent, significantly above the statewide average.

Quality is growing across the System in other areas as well. PASSHE Universities currently offer degree and

certificate programs in more than 120 areas of study. More of PASSHE's academic programs than ever before have been recognized by professional organizations nationally for their excellence. Nearly 80 percent of all programs eligible for accreditation have achieved this status. PASSHE's goal is for all eligible programs to be accredited.

As an example of PASSHE's efforts in this area, five universities are now accredited by the Association to Advance Collegiate Schools of Business (AACSB), the premier global accrediting body for schools that offer undergraduate, master's and doctoral degrees in business and accounting. It is perhaps the most difficult accreditation to achieve, evidenced by the fact that only 18 other business schools in Pennsylvania have earned AACSB accreditation.

PASSHE students are taught by faculty committed to the individual success of each student. All of PASSHE's students are taught by qualified faculty – more than 85 percent with terminal degrees – rather than by graduate assistants. Almost 90 percent of PASSHE's full-time faculty are tenured or are on tenure track, compared to only about 40 percent nationally.

PASSHE's success on behalf of its students and the Commonwealth has been fueled by a culture of accountability that permeates everything it does, and that has become a national model.

In June 2000, PASSHE became one of only a few public university systems in the nation to voluntarily 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 result is continuous improvement in virtually every area of its operations.

PASSHE 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 performance funding that is distributed 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 \$38.7 million in 2007-08. The majority of dollars used for performance funding comes 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 – including the goal set for boosting four-year graduation rates – already have been achieved; many more are within sight.

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 every qualified 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 five years that have been only about one-third to one-half the average imposed by public universities and university systems across the United States. In fact, since 2002-03 PASSHE's overall tuition and fee increases are the lowest among all public comprehensive colleges and universities in the United States, according to national figures.

In two of the last three years, those increases combined have been at or below the rate of inflation, a record likely unmatched by any public university system in the United States. This year's tuition increase of 2.75 percent also was below inflation. In order to ensure PASSHE students have access to the latest technology in their classrooms, the annual technology fee was increased from \$125 to \$175, accounting for an overall increase of 3.7 percent.

PASSHE's current annual tuition rate of \$5,177 is the lowest among all four-year colleges and universities in the Commonwealth. According to the latest annual report produced by the

Higher Education

Average total cost of attendance at public universities (2007-08)

Middle States Region	\$15,494
National Average	\$13,589
PASSHE Average	\$13,181

Source: The College Board, PASSHE

College Board, the total average cost of attendance at a PASSHE university – tuition, required fees, room and board – is below the national average among all public colleges and universities, and is significantly below the amount charged by those in the Middle States Region, which comprises Delaware, Maryland, New Jersey, New York, Pennsylvania, the District of Columbia and Puerto Rico.

To further address the issue of affordability, PASSHE is working collaboratively with Pennsylvania's community colleges to assure students who initially enroll at any of the two-year schools they can easily transfer to a PASSHE institution to continue their education – and bring a majority, if not all, of their earned credits with them. Since the enactment of legislation intended to encourage greater articulation among the community colleges and PASSHE Universities, more than 28,000 course equivalencies have been established between and among the 29 institutions. As a result, students taking any of these courses will be assured their credits will be applied toward a baccalaureate degree when they transfer to any of the 14 PASSHE Universities.

Commonwealth Service

PASSHE, through its 14 member Universities, provides a valuable public service to the Commonwealth, not only educating its citizenry, but also providing a variety of opportunities and services that enhance the quality of life of all Pennsylvanians while helping to ensure the state's continued economic growth and prosperity.

The Universities 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.

PASSHE provides a huge return on the Commonwealth's investment each year. A recent study conducted on behalf of PASSHE estimated that the State System and its 14 member Universities have an annual economic impact in the Commonwealth of nearly \$4.5 billion. That includes \$1.9 billion

in direct spending by the universities and \$2.6 billion in spending by university employees and students in their surrounding communities. PASSHE students, faculty and staff generate more than \$42 million a year in sales and income tax revenue for the Commonwealth.

The total annual expenditures by the universities and those who interact with them represent a return on investment of nearly \$10 for every \$1 PASSHE receives from the Commonwealth in its annual appropriation.

PASSHE ranks as the 15th 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.

2008-09 Appropriations Requests

Educational and General Appropriation (E&G).....\$508.2 million

PASSHE's FY 2008-09 operating budget provides funding for increases in basic operating costs while building upon continuing efforts to operate more efficiently. PASSHE's budget is developed based upon University budgets submitted in adherence to specific guidelines. The following basic adjustments are reflected in the E&G budget for 2008-09.

Enrollment Growth—In keeping with the demographic projections of the

Higher Education Expenditure Requirements (In Millions)				
	2007/08	2008/09	Increase	
			\$	%
Salaries and wages	\$725.7	\$743.5	\$17.8	2.4%
Benefits	266.5	284.5	18.0	6.8%
Compensation subtotal	\$992.2	\$1,028.0	\$35.8	3.6%
Services/supplies/utilities	245.3	253.4	8.1	3.3%
Capital/transfers	\$1.4	84.5	83.1	3.7%
Non-personnel subtotal	\$326.7	\$337.9	\$11.1	3.4%
Total	\$1,318.9	\$1,365.8	\$46.9	3.6%

Notes: Numbers may not add due to rounding.

Commonwealth, it is estimated that PASSHE's enrollment will increase 1.3 percent. Universities anticipating enrollment increases have limited

the costs associated with serving these additional students within their 2008-09 budget estimates.

Increased tuition and fee revenue associated with this enrollment increase is anticipated at \$8.0 million.

Employee Salaries—PASSHE has reached new multi-year collective bargaining agreements with almost all of its unions. These agreements include one-time cash payments and service increments for 2007-08 and both service increments and general pay increases for 2008-09. Mandatory changes in other compensation categories, such as faculty summer pay, also will contribute to a total estimated increase in employee salaries and wages of \$17.8 million, or 2.4 percent next year.

Employee Benefits—PASSHE projects the employer share of health care costs to increase an average of 11 percent next year, based upon a combination of national trends and PASSHE's employee health care experience. Similarly, the Commonwealth's PEBTF health care rates are projected to increase 10.6 percent. The employer contribution rate for the State Employees' Retirement System is projected to remain constant at 3.3 percent of salaries. Overall, employee benefits expenditures are expected to increase \$18.0 million, or 6.8 percent.

Utilities—Growth in natural gas, coal and electric prices has slowed in recent months. Therefore, PASSHE's 2008-09 utility cost projections reflect an increase of

\$2.7 million, or 5.9 percent, to address anticipated rate increases and additions to University square footage. Rate increases are partially offset by energy conservation efforts derived, in part, through the use of energy savings corporations (ESCOs).

All Other Operating Expenditures—Anticipated expenditures for services, supplies and materials are increasing approximately at the rate of inflation. The cost of purchasing library materials is expected to increase approximately 6.5 percent, based upon national trends. The cost estimates associated with several commodity and service categories have been minimized through the use of strategic sourcing contracts, which combine the purchasing power of PASSHE's Universities to obtain optimal pricing on services, supplies and equipment. University investment in the life cycle maintenance of its physical plant is anticipated to increase by approximately 3.9 percent, which is more representative of inflationary trends in the construction industry. In total, non-personnel expenditures are estimated to increase \$11.1 million, or 3.4 percent, in 2008-09.

These adjustments result in an overall 2008-09 E&G operating budget of \$1.4 billion, an increase of \$46.9 million, or 3.6 percent.

As mentioned above, increases in University revenue sources due to enrollment growth will generate \$8 million in new revenue, resulting in a remaining funding requirement of \$38.9 million. To fund this budget

increase, the Board of Governors requests an E&G appropriation of \$508.2 million—an increase of \$24.2 million, or 5 percent.

No assumptions are made concerning tuition rate increases at this time;

however, a tuition increase of approximately 2.1 percent would be necessary to balance the projected budget. The Board will address the need for any tuition increase for the 2008-09 academic year at its July 2008 meeting.

Special Purpose Appropriations

Program Initiatives\$21.7 million

Performance Funding....\$10.2 million

The Board of Governors has rewarded performance at PASSHE Universities for the past eight years. In 2007-08, the performance funding program was funded with \$29 million from the E&G appropriation and \$9.7 million from the Program Initiatives line item, for a total of \$38.7 million, equivalent to 8 percent of the E&G appropriation. PASSHE is committed to continuing performance funding at this level in 2008-09, partially through the use of \$10.2 million in this line item. Performance funding provided through the Program Initiatives line item will be used to support specialized accreditation of professional programs, as needed, and increase library holdings.

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

PASSHE is in the midst of implementing an integrated System-wide administrative information support system that will enhance student services, administrative productivity and financial management. This system

2008/09 Proposed Line Items	
	(In Millions)
Program Initiatives	\$21.7
<i>Performance Funding</i>	10.2
<i>Shared Administrative System</i>	5.0
<i>Economic Development</i>	5.0
<i>Educator Excellence</i>	1.5
<i>Diversity and Equal Opportunity</i>	2.2
<i>McKeever Environmental Learning Center</i>	0.6
<i>PA Center for Environmental Education</i>	0.4
Total Line Items	\$24.8

Note: Numbers may not add due to rounding.

will help Universities maximize efficiencies in administrative processes, e.g., finance, procurement, human resources and student services such as admissions, registration and financial aid. Full funding for this project is necessary to support additional functionality, upgrades to hardware and operating systems and additional capacity for disaster recovery.

Economic Development.....\$5.0 million

PASSHE Universities are key partners for state and regional economic development. Their mission-based contribution to economic development is increasing human capital for tangible productivity and income

benefits and creating intellectual wealth for commercial potential. The Governor's Economic Stimulus Package has established programs to support collaboration among businesses and institutions of higher education, such as Keystone Innovation Zones (KIZs). Eight PASSHE Universities are already partnering with KIZs. Additionally, Small Business Development Centers (SBDCs) are located at five PASSHE Universities, and business incubators have been established at six of the institutions. Continued funding of the economic development initiatives described below will enhance PASSHE's partnerships with state and local communities to increase economic development activities throughout the Commonwealth.

examples will be less valuable

3

examples will be more valuable

2

for the benefit of Pennsylvania's economy.

(2) Internships (\$0.7 million)—Funding for each University to develop a more systematic and coordinated approach to providing internship opportunities, which will accommodate the demands of regional labor markets.

(3) Planning and Feasibility for University/Business Infrastructure (\$1.4 million)—Seed money 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 (\$1.0 million)—Funding to 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 (\$0.5 million)—The PASSHE Technology Transfer and Commercialization Resource Network will provide an integrated

These economic stimulus activities? Development - impacts all levels of higher ed. impacts PIs

project - 2, 1 to increase in # internships success system

remaining funding to be split

4 yrs. leverage 2.1 M

1

(1) Entrepreneurial Leadership Centers and Student Incubator Initiative (\$1.4 million)—Seed money to develop Entrepreneurial Leadership Centers and student incubators among PASSHE Universities, which will encourage the development of innovation and enterprise by linking University faculty and students to a network of community and business partners. These Centers will provide students across all academic disciplines with opportunities to pursue an entrepreneurial path while continuing their education. Entrepreneurial Leadership Centers will further encourage the creation of new enterprises within the local/regional community while retaining the energies of recent graduates

\$900K needed to match grant

No Funding needed DCED submission Ar 250K 3/4 grant, due 5/1

If equal funding make 200K

\$140,000 10K per Univ to be used for any of the top 3 initiatives

900K for #1 Remaining for #2

approach to protecting intellectual property and advancing projects toward becoming commercial ventures. 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 builds 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 educators at the early elementary, middle and secondary levels, (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.....\$2.2 million

This \$2.2 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 populations. These initiatives include programs that (1) expand the nationally acclaimed R. Benjamin Wiley Partnership Program; (2) enhance joint recruitment activities conducted by admissions personnel; (3) serve students who require necessary accommodations under the Americans with Disabilities Act; (4) add value to campus climate and retention initiatives, including support for the Frederick Douglass Institute Collaborative; and, (5) enhance the professional development of women and minority faculty and other professionals.

McKeever Environmental Learning Center.....\$580,000

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 is located on 205 acres in Mercer County and is administered by Slippery Rock University of Pennsylvania. This request of \$580,000 provides full funding for operation of the Center in fiscal year 2008-09.

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

The Pennsylvania Center for Environmental Education, located at Slippery Rock University of Pennsylvania, had been funded by the Commonwealth for several

years through the Department of Environmental Protection. In 2006-07, funding for this Center was appropriated directly to PASSHE. This request of \$380,000 continues to support the Center's ongoing operations in FY 2008-09.

FY 2008-09 Appropriations Requests _____

Educational and General.....	\$508,188,000
Special Purpose Program Initiatives.....	\$ 21,664,000
Performance Funding.....	\$10,164,000
Shared Administrative System.....	\$ 5,000,000
Economic Development.....	\$ 5,000,000
Educator Excellence.....	\$ 1,500,000
Diversity and Equal Opportunity.....	\$ 2,176,000
McKeever Environmental Learning Center	\$ 580,000
Pennsylvania Center for Environmental Education.....	\$ 380,000

Governor's Budget Recommendations

Educational and General Appropriation (E&G).....\$498.5 million

The Governor's Budget for Fiscal Year 2008-09 recommends the Pennsylvania State System of Higher Education (PASSHE) receive an E&G appropriation of \$498.5 million. This amount would represent an increase of \$14.5 million, or 3 percent, over the current year's E&G appropriation. PASSHE has requested an increase of \$24.2 million, or 5 percent, in its E&G appropriation for FY 2008-09. The Governor's recommendation, if funded, would cover approximately one-fourth of the System's operating budget cost increases for 2008-09.

2008-09 Educational and General Appropriation (PASSHE Request vs. Governor's Budget)		
<u>PASSHE Appropriations Request</u>	<u>Governor's Budget</u>	<u>Difference</u>
\$508,188,000	\$498,509,000	(\$9,679,000)

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:

2008-09 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	\$21,664,000	\$18,048,000	(\$3,616,000)
Diversity and Equal Opportunity	\$ 2,176,000	\$ 1,619,000	(\$ 557,000)
McKeever Environmental Learning Center	\$ 580,000	\$ 216,000	(\$ 364,000)
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 (PASSHE) 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 PASSHE have remained consistent:

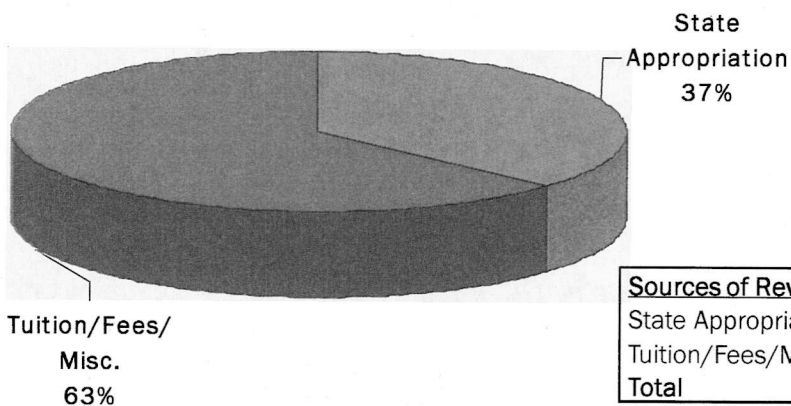
- Stimulating intellectual growth by promoting teaching and learning as well as creativity and scholarship;
- Developing and energizing the personal commitment of students, faculty and staff for contributive citizenship, global awareness and social responsibility;
- Promoting diversity as a key element 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

Appendix B

Pennsylvania State System of Higher Education
 Summary of Sources and Uses
 FY 2007/08 Educational and General Budget

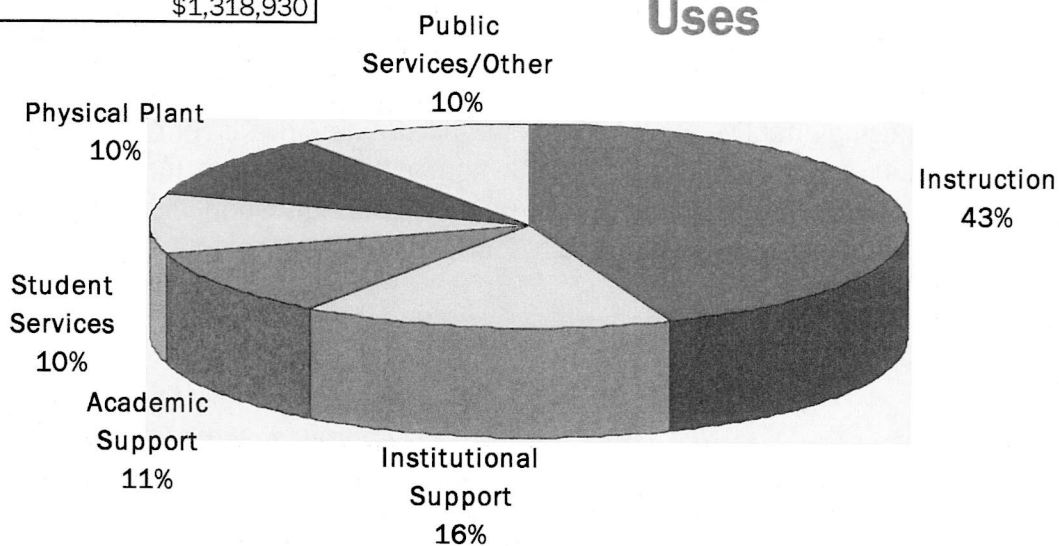
Sources



Sources of Revenue	(\$000)
State Appropriation	\$483,989
Tuition/Fees/Misc.	834,941
Total	\$1,318,930

Uses of Revenue	(\$000)
Instruction	\$577,151
Institutional Support	211,442
Academic Support	138,565
Student Services	125,846
Physical Plant	133,384
Public Services/Other	132,542
Total	\$1,318,930

Uses



Appendix C

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

(Dollar Amounts in Thousands)

	Actual 2006/07	Current 2007/08	Budget Request 2008/09	Governor's Budget** 2008/09
Source of Funds				
State Appropriation*	\$467,622	\$483,989	\$508,188	\$498,509
Augmentation:				
Educational and General	785,587	834,941	857,626	857,626
Revenue Shortfall**	NA	NA	NA	9,679
Total	\$1,253,209	\$1,318,930	\$1,365,814	\$1,365,814
Use of Funds				
Personnel Expenditures	\$930,228	\$992,212	\$1,027,975	\$1,027,975
Operating Expenditures	234,184	245,287	253,383	253,383
Capital Assets/Transfers	88,797	81,431	84,456	84,456
Total	\$1,253,209	\$1,318,930	\$1,365,814	\$1,365,814
Students (FTE)***				
Undergraduate	91,371.05	92,008.40	93,015.76	93,015.76
Graduate	11,071.91	11,500.06	11,806.84	11,806.84
First Professional	NA	NA	NA	NA
Total	102,442.96	103,508.46	104,822.60	104,822.60
Employees (FTE, including Auxiliary)				
Instructional Faculty	5,198.37	5,266.49	5,241.49	5,241.49
Management	1,392.34	1,433.41	1,434.30	1,434.30
All Other Salaried	5,088.23	5,161.27	5,116.77	5,116.77
Total	11,678.94	11,861.17	11,792.56	11,792.56

*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 3.0% increase in funding for the Educational and General Appropriation. This recommendation produces a budgetary shortfall of \$9.7 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.

Appendix D

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 ¹	Current 2007/08 ²	Budget Request 2008/09 ³	Governor's Budget 2008/09
Special Purpose Appropriation	\$18,048	\$18,048	\$21,664	\$18,048
Other State Appropriation ⁴	28,058	29,039	30,491	29,911
Tuition/Fees/Other	11,625	12,619	14,965	14,965
Restricted Funds	0	0	0	0
Revenue Shortfall	0	0	0	4,196
Total	\$57,731	\$59,706	\$67,120	\$67,120
Use of Funds				
Personnel Expenditures	\$27,662	\$29,292	\$32,639	\$32,639
Operating Expenditures	28,465	28,799	32,605	32,605
Capital Assets/Transfers	1,604	1,615	1,876	1,876
Total	\$57,731	\$59,706	\$67,120	\$67,120
Students (FTE)				
Undergraduate	NA	NA	NA	NA
Graduate	NA	NA	NA	NA
First Professional	NA	NA	NA	NA
Total	NA	NA	NA	NA
Employees (FTE)⁵				
Instructional Faculty	NA	NA	NA	NA
Management	50.34	61.52	61.52	61.52
All Other Salaried	7.95	10.00	10.00	10.00
Total	58.29	71.52	71.52	71.52

¹PASSHE's FY 2006/07 Program Initiatives line item supported \$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.

²PASSHE's FY 2007/08 Program Initiatives Appropriation Request is supporting \$9.7 million for Performance Funding, \$5.0 million for Shared Administrative System, \$1.9 million for Economic Development, and \$1.5 million for Educator Excellence. See page 5 for more information on these initiatives.

³PASSHE's FY 2008/09 Program Initiatives Appropriation Request includes \$10.2 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.

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

⁵Employees are associated with PASSHE's Information Systems Integration Project.

Appendix E

**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 2006/07	Current 2007/08	Budget Request 2008/09	Governor's Budget 2008/09
State Appropriation	\$1,619	\$1,619	\$2,176	\$1,619
Tuition/Fees/Other	0	0	0	0
Restricted Funds	0	0	0	0
Revenue Shortfall	0	0	0	557
Total	\$1,619	\$1,619	\$2,176	\$2,176
Use of Funds				
Personnel Expenditures	\$25	\$25	\$34	\$34
Operating Expenditures	1,594	1,594	2,142	2,142
Capital Assets/Transfers	0	0	0	0
Total	\$1,619	\$1,619	\$2,176	\$2,176
Students (FTE)				
Undergraduate	NA	NA	NA	NA
Graduate	NA	NA	NA	NA
First Professional	NA	NA	NA	NA
Total	NA	NA	NA	NA
Employees (FTE)				
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
Total	2.25	2.25	2.25	2.25

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

Appendix F

**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 2006/07	Current 2007/08	Budget Request 2008/09	Governor's Budget 2008/09
Special Purpose Appropriation	\$216	\$216	\$580	\$216
Other State Appropriation*	328	350	0	0
Tuition/Fees/Other	248	260	284	284
Restricted Funds	0	0	0	0
Revenue Shortfall	0	0	0	364
Total	\$792	\$826	\$864	\$864
Use of Funds				
Personnel Expenditures	\$410	\$432	\$452	\$451
Operating Expenditures	382	394	413	413
Capital Assets/Transfers	0	0	0	0
Total	\$792	\$826	\$865	\$864
Students (FTE)				
Undergraduate	NA	NA	NA	NA
Graduate	NA	NA	NA	NA
First Professional	NA	NA	NA	NA
Total	NA	NA	NA	NA
Employees (FTE)				
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
Total	9.00	9.00	9.00	9.00

*McKeever Center currently (FY 2007/08) requires \$561,131 in appropriations to perform its mission. The current special purpose appropriation of \$216,000 meets 38.4% of the Center's need, which is subsidized with \$345,131 of PASSHE's Educational and General Appropriation, at the expense of the System Universities, to ensure the Center's viability.

Appendix G

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

Pennsylvania Center for Environmental Education

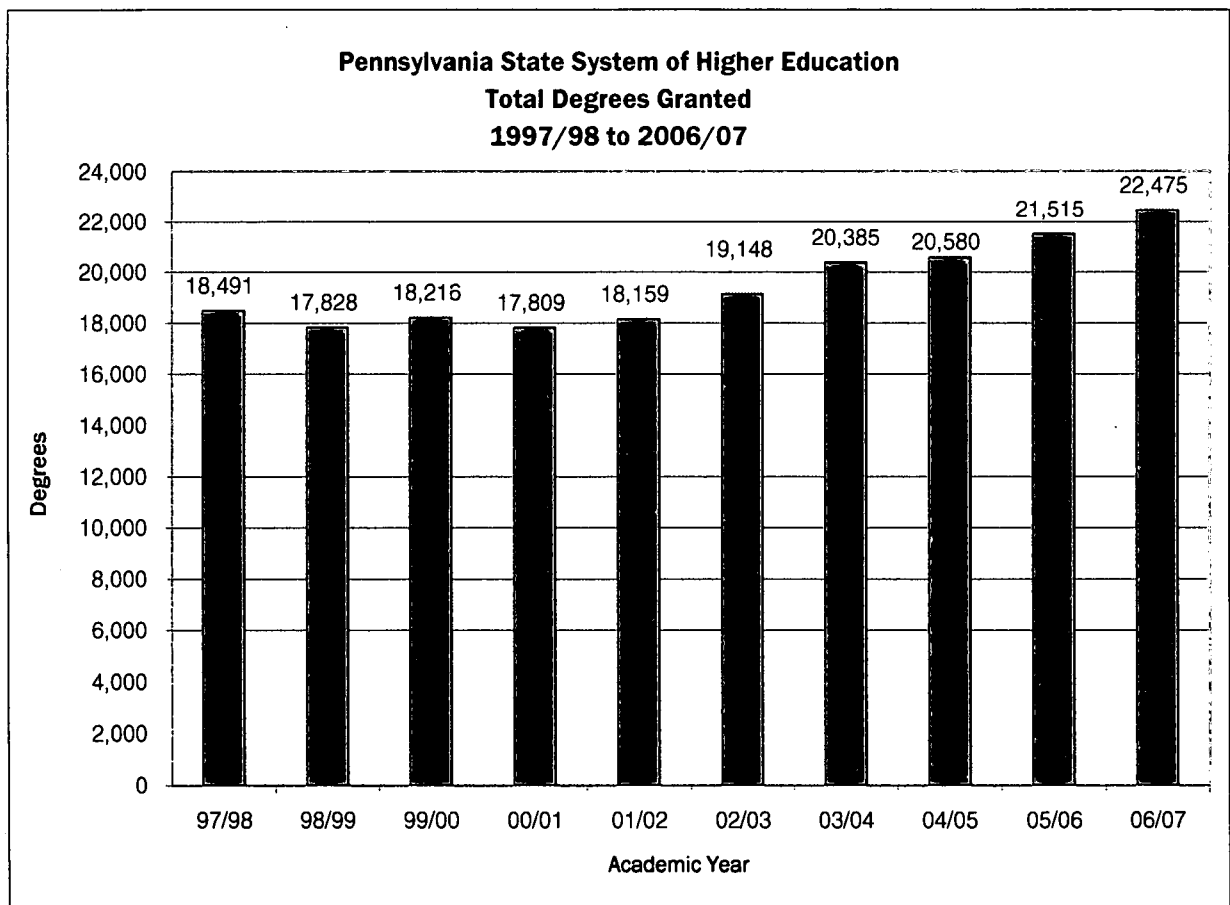
(Dollar Amounts in Thousands)

Source of Funds	Actual 2006/07	Current 2007/08	Budget Request 2008/09	Governor's Budget 2008/09
Special Purpose Appropriation	\$368	\$368	\$380	\$368
Other State Appropriation	0	0	0	0
Tuition/Fees/Other	13	0	0	0
Restricted Funds	0	0	0	0
Revenue Shortfall	0	0	0	12
Total	\$381	\$368	\$380	\$380
Use of Funds				
Personnel Expenditures	\$288	\$303	\$315	\$315
Operating Expenditures	86	65	65	65
Capital Assets/Transfers	7	0	0	0
Total	\$381	\$368	\$380	\$380
Students (FTE)				
Undergraduate	NA	NA	NA	NA
Graduate	NA	NA	NA	NA
First Professional	NA	NA	NA	NA
Total	NA	NA	NA	NA
Employees (FTE)				
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
Total	4.00	4.00	4.00	4.00

Appendix H

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

Program Measure	Actual 2006/07	Projected 2007/08	Projected 2008/09
Associate Degrees Awarded	368	391	416
Bachelors Degrees Awarded	17,585	17,901	18,222
Graduate Degrees Awarded	4,522	4,660	4,802
Total Degrees Awarded	22,475	22,952	23,440



Appendix I
 Pennsylvania State System of Higher Education
 Applications, Acceptances, and Enrollments*
 of Pennsylvania Residents, by Race, 1998-2007

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
AFRICAN AMERICAN										
Applications	4,998	5,864	5,801	6,362	6,869	7,980	9,838	10,717	13,195	13,474
Acceptances	2,627	3,315	3,062	2,999	3,747	4,025	4,631	4,983	5,633	5,773
Enrollments	1,014	1,125	1,121	1,226	1,287	1,538	1,594	1,810	1,800	1,876
Percent Accepted	52.6%	56.5%	52.8%	47.1%	54.5%	50.4%	47.1%	46.5%	42.7%	42.8%
Percent Accepted Who Enroll	38.6%	33.9%	36.6%	40.9%	34.3%	38.2%	34.4%	36.3%	32.0%	32.5%
Percent Applied Who Enroll	20.3%	19.2%	19.3%	19.3%	18.7%	19.3%	16.2%	16.9%	13.6%	13.9%
LATINO										
Applications	851	706	739	929	1,333	1,209	1,610	1,727	1,999	2,383
Acceptances	550	458	475	597	878	763	994	1,052	1,156	1,399
Enrollments	243	179	203	250	319	319	386	426	434	505
Percent Accepted	64.6%	64.9%	64.3%	64.3%	65.9%	63.1%	61.7%	60.9%	57.8%	58.7%
Percent Accepted Who Enroll	44.2%	39.1%	42.7%	41.9%	36.3%	41.8%	38.8%	40.5%	37.5%	36.1%
Percent Applied Who Enroll	28.6%	25.4%	27.5%	26.9%	23.9%	26.4%	24.0%	24.7%	21.7%	21.2%
AMERICAN INDIAN OR ALASKAN NATIVE										
Applications	144	96	121	135	123	135	152	147	214	182
Acceptances	92	64	76	88	80	86	109	106	118	106
Enrollments	48	29	36	42	39	38	44	48	44	46
Percent Accepted	63.9%	66.7%	62.8%	65.2%	65.0%	63.7%	71.7%	72.1%	55.1%	58.2%
Percent Accepted Who Enroll	52.2%	45.3%	47.4%	47.7%	48.8%	44.2%	40.4%	45.3%	37.3%	43.4%
Percent Applied Who Enroll	33.3%	30.2%	29.8%	31.1%	31.7%	28.1%	28.9%	32.7%	20.6%	25.3%
ASIAN OR PACIFIC ISLANDER										
Applications	609	705	641	734	830	767	846	893	1,061	1,009
Acceptances	429	484	432	496	566	518	552	594	667	643
Enrollments	127	141	152	156	188	162	187	196	182	195
Percent Accepted	70.4%	68.7%	67.4%	67.6%	68.2%	67.5%	65.2%	66.5%	62.9%	63.7%
Percent Accepted Who Enroll	29.6%	29.1%	35.2%	31.5%	33.2%	31.3%	33.9%	33.0%	27.3%	30.3%
Percent Applied Who Enroll	20.9%	20.0%	23.7%	21.3%	22.7%	21.1%	22.1%	21.9%	17.2%	19.3%
UNKNOWN**										
Applications					1,107	3,065	4,446	3,996	4,581	4,978
Acceptances					752	1,932	2,828	2,524	2,512	2,883
Enrollments					299	718	1,002	865	829	1,190
Percent Accepted					67.9%	63.0%	63.6%	63.2%	54.8%	57.9%
Percent Accepted Who Enroll					39.8%	37.2%	35.4%	34.3%	33.0%	41.3%
Percent Applied Who Enroll					27.0%	23.4%	22.5%	21.6%	18.1%	23.9%
WHITE										
Applications	44,586	43,905	45,418	46,506	48,008	47,122	47,370	46,023	48,247	49,292
Acceptances	32,508	32,978	32,835	33,622	34,387	33,656	34,201	33,148	34,040	34,678
Enrollments	13,898	14,140	14,730	14,634	13,830	14,769	14,172	14,132	14,053	14,374
Percent Accepted	72.9%	75.1%	72.3%	72.3%	71.6%	71.4%	72.2%	72.0%	70.6%	70.4%
Percent Accepted Who Enroll	42.8%	42.9%	44.9%	43.5%	40.2%	43.9%	41.4%	42.6%	41.3%	41.4%
Percent Applied Who Enroll	31.2%	32.2%	32.4%	31.5%	28.8%	31.3%	29.9%	30.7%	29.1%	29.2%
TOTAL										
Applications	51,188	51,276	52,720	54,666	57,163	60,278	64,262	63,503	69,297	71,318
Acceptances	36,206	37,299	36,880	37,802	39,658	40,980	43,315	42,407	44,126	45,482
Enrollments	15,330	15,614	16,242	16,308	15,663	17,544	17,385	17,477	17,342	18,186
Percent Accepted	70.7%	72.7%	70.0%	69.2%	69.4%	68.0%	67.4%	66.8%	63.7%	63.8%
Percent Accepted Who Enroll	42.3%	41.9%	44.0%	43.1%	39.5%	42.8%	40.1%	41.2%	39.3%	40.0%
Percent Applied Who Enroll	29.9%	30.5%	30.8%	29.8%	27.4%	29.1%	27.1%	27.5%	25.0%	25.5%

*First-Time Freshmen

**Unknown Ethnicity First Reported in 2002

Bloomsburg University of Pennsylvania
Dr. David L. Soltz, President

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

Cheyney University of Pennsylvania
Dr. Michelle R. Howard-Vital, 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. Jeremy D. Brown, 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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