



# **Appropriations Request 2009-10**

**The Pennsylvania State System  
of Higher Education:**

**Investing in the  
Commonwealth  
for the Long Term**



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February 2009

The Pennsylvania State System of Higher Education:  
Investing in the Commonwealth for the Long Term

Fiscal Year 2009-10 Appropriations Request

Table of Contents

Overview	1
2009-10 Appropriations Request	
2009-10 Educational and General Appropriation Request	5
2009-10 Special Purpose Appropriations	9
Governor's Budget Recommendations	12
Appendices	
Mission Statement	A
Summary of Sources and Uses	
FY 2008-9 Educational and General Budget	B
Summary of Educational and General Budget	C
Summary of Special Line Item Appropriation Request	
Program Initiatives	D
Summary of Special Line Item Appropriation Request	
Diversity and Equal Opportunity	E
Summary of Special Line Item Appropriation Request	
McKeever Environmental Learning Center	F
Summary of Special Line Item Appropriation Request	
Pennsylvania Center for Environmental Education	G
Academic Program Data and Total Degrees Granted	H
Applications, Acceptances and Enrollments	
of Pennsylvania Residents, by Race, 1999-2008	I

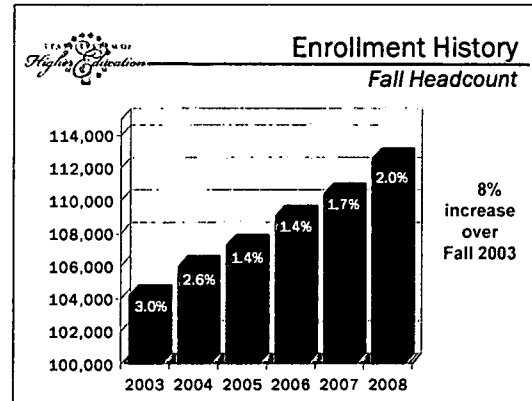
## The Pennsylvania State System of Higher Education: Investing in the Commonwealth for the Long Term

Throughout its 25-year history, the primary mission of the Pennsylvania State System of Higher Education (PASSHE) has been to provide the highest quality education to students at the lowest possible cost. Success on both fronts is evident.

Nearly 80 percent of those academic programs that are eligible are nationally accredited by professional organizations (up from about 50 percent just six years ago). Some are among only a handful of programs to receive such recognition in their field of study.

Tuition at the 14 PASSHE universities is the lowest among all four-year colleges and universities in the Commonwealth, and the total cost of attendance—tuition, fees, room and board—is below the national average among similar public institutions in the United States. In fact, *over the past five years, PASSHE has had the lowest overall increase in tuition and fees among all of the public university systems in the country.*

PASSHE has been able to control tuition costs—including holding tuition increases to at or below the rate of inflation in each of the last four years—in part through a series of cost-containment efforts. Those *efforts over the past 10 years have resulted in the elimination of \$200 million in costs throughout the system.* Some of those savings have been reallocated to support the development of new programs in high-demand areas such



as math and science, information technology and healthcare, including nursing, in response to changing Commonwealth needs and student interests.

Enrollment at the 14 universities has increased 12 years in a row and is at an all-time high. More than 112,500 students are enrolled at PASSHE universities. Nearly 90 percent of those students are from Pennsylvania and *more than four out of every five PASSHE graduates remain in the Commonwealth to take their first job or to continue their education.*

Providing quality, affordable education is only part of the PASSHE story.

The more than 405,000 PASSHE alumni who live and work in the Commonwealth generate an aggregate annual income of approximately \$7 billion, contributing significantly to the Pennsylvania economy.

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.

According to the most recent study conducted on behalf of PASSHE, it is estimated that the State System and its 14 member universities have a combined annual economic impact on the Commonwealth of nearly \$4.5 billion. That total represents ***a return on investment of nearly \$10 for every \$1 PASSHE receives from the Commonwealth in its annual E&G appropriation.***

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 and other projects to the thousands who are employed by the hundreds of small businesses that operate in and around the campus communities.

Fulfilling its role as Pennsylvania's public university system, PASSHE also assists literally hundreds of other employers in the Commonwealth meet their needs 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.

## Preparing for Success

First and foremost, PASSHE is committed to 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, its communities and the nation.

PASSHE's current strategic plan, adopted four years ago, was designed to push the State System and its member universities to even greater levels of academic and operational achievement. As stated in that plan, PASSHE's success will enable it to take 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 targets five core areas on which PASSHE is focused: student achievement and success, university and System excellence, Commonwealth service, resource development and stewardship and public leadership.

The universities have met or exceeded many of the performance targets and goals that are laid out in the strategic plan and that are integral components of PASSHE's System Accountability and Performance Funding programs.

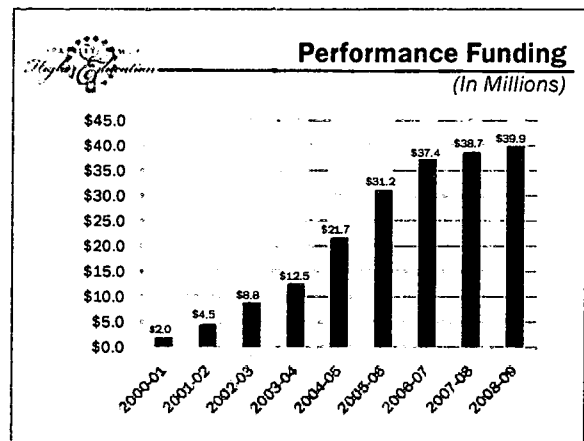
Among those:

- Student retention and graduation rates have risen.

- The number of students transferring from community colleges and the number of students taking courses via distance education have increased, 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 academic programs offered by PASSHE universities that are accredited by professional organizations nationally has increased, from about half of eligible programs six years ago to nearly 80 percent today, a further sign of enhanced academic quality.
- Fundraising efforts have increased, with PASSHE universities last year bringing in a record \$52 million from private donors, a \$10 million increase over the prior year. Privately raised funds are used to support 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 made it a national model. Last year, the State System and its 14 member universities joined the Voluntary System of Accountability project, which was developed in collaboration with the American Association of State Colleges and Universities (AASCU) and National Association of State



Universities and Land-Grant Colleges (NASULGC).

The VSA program was designed to provide four-year, public colleges and universities the opportunity to demonstrate their accountability and stewardship to the public; to measure educational outcomes and to identify effective educational practices; and to assemble and make available information that is accessible, understandable and comparable.

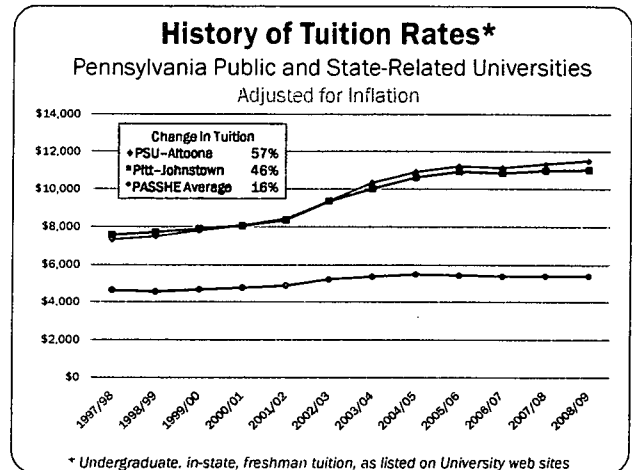
PASSHE was among the first public university systems in the nation to join VSA. Each of the universities has developed a "College Portrait," which includes basic information on the characteristics of the institution and its students, the cost of attendance, student engagement with the learning process and core educational outcomes. These portraits are available online for anyone to see. All can be easily accessed via the PASSHE website ([www.passhe.edu](http://www.passhe.edu)) or by visiting the individual university sites.

Participation in VSA is a continuation of PASSHE's long commitment to accountability. 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 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 almost \$40 million in 2008-09. 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.

Dovetailing with performance funding is PASSHE's **System Accountability Program**, which includes both quantitative and qualitative performance measures and objectives designed 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—have been achieved; many more are within sight.



Since 1997-98, PASSHE's tuition has increased just 16 percent in inflation-adjusted dollars. Comparable state-related universities' tuition rates increased substantially more.

## 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 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 four years that have been below the rate of inflation—a record unmatched by any other public university system in the nation.

According to a study conducted by the Washington Higher Education Coordinating Board, PASSHE's overall rate of increase in tuition and required fees over the last five years has been the lowest in the nation among all public

college and university systems. Of the 46 public college and university systems surveyed, PASSHE ranked 46<sup>th</sup>.

PASSHE's average total tuition and fee increase during the five-year study period was 21.8 percent, less than half the national average of 47.8 percent. By comparison, public colleges and universities in Maryland raised their tuition and fees by a total of 37.2 percent; New Jersey, 51.8 percent; New York, 29.5 percent; Ohio, 38.0 percent; and West Virginia, 52.9 percent.

Because PASSHE charges significantly less in combined tuition and fees than do either Pennsylvania State University or the University of Pittsburgh at their respective branch campuses, PASSHE saves students and their families \$474 million per year compared to what they would pay if they attended a branch campus of PSU or Pitt. This also provides significant savings to the Commonwealth because

PASSHE students and families do not need to seek financial aid to help pay these higher charges.

This past July, PASSHE's Board of Governors approved a \$181 tuition increase for the 2008-09 school year that set the current annual tuition rate at \$5,358 for full-time Pennsylvania residents. That is the lowest tuition among all four-year colleges and universities in the Commonwealth. **The total cost of attendance—tuition, required fees, room and board—is now \$539 below the national average and \$2,459 below the average charged by other four-year public colleges and universities in the Middle Atlantic region of the United States**, according to the most recent report on college costs 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.

## 2009-10 Appropriations Requests

Educational and General Appropriation (E&G).....\$526.9 million

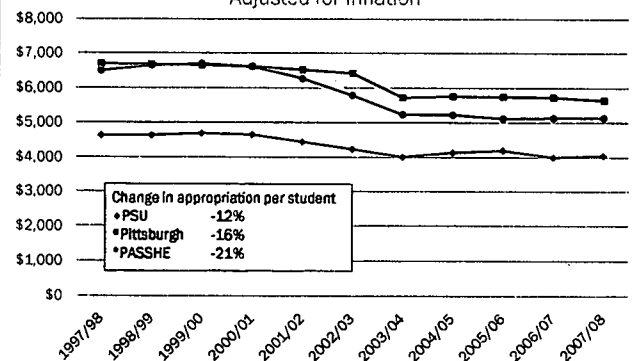
PASSHE's 2009-10 operating budget provides for increases in basic operating costs while increasing its ability to address the workforce needs of the Commonwealth in the areas of science and technology. The System's budget is developed based upon university budgets submitted in adherence to specific guidelines.

The following basic adjustments are reflected in the 2009-10 E&G budget:

**Enrollment Growth**—In keeping with the demographic projections of the Commonwealth, it is estimated that PASSHE's enrollment will increase

### History of E&G Appropriations Per Student\*

Pennsylvania Public and State-Related Universities  
Adjusted for Inflation



\* Estimated Fall FTE. Source of enrollment data: US Department of Education, IPEDS

PASSHE's E&G appropriation per full-time equivalent (FTE) student from the state has declined 21% in inflation-adjusted dollars since Fiscal Year 1997-98. This reduction is even higher if compared to the high point of appropriations in Fiscal Year 2000-01. State appropriations per FTE for comparable state-related universities declined less.

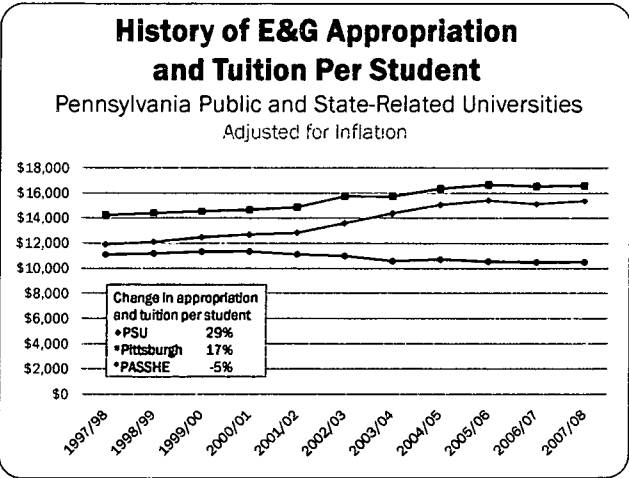


1.0 percent in 2009-10. Universities anticipating enrollment increases have limited the costs associated with serving additional students within their budget estimates. Increased tuition and fee revenue associated with this enrollment increase is anticipated at \$9.0 million.

**Employee Salaries**—PASSHE has collective bargaining agreements in place with all of its unions, which provide guidance for 2009-10 compensation increases. Most employees will receive an increment increase—based on years of service—and a general pay increase next year, resulting in an estimated increase in employee salaries and wages of \$33.8 million, or 4.6 percent.

**Employee Benefits**—Beginning in January 2009, employees enrolled in PASSHE’s health care plan had the ability to enroll in Healthy U, the System’s wellness program. The participation rate is higher than average for similar programs in the first year. Those employees who do not participate in the wellness program are required to pay a larger portion of their health care premiums. PASSHE projects the employer share of health care costs will increase an average of 10.0 percent next year, based upon a combination of national trends, PASSHE’s employee health care experience and participation in the wellness program.

The Commonwealth’s PEBTF health care rates are projected to increase 9.1 percent next year. The employer contribution rate for the State Employees’ Retirement System is projected to remain constant at 3.3 percent of salaries, in accordance with Commonwealth guidelines.



Since 1997-98, total revenue (state appropriations and tuition) per FTE in PASSHE has declined 5%. Comparable state-related university revenue increased significantly during the same period.

Overall, employer benefits expenditures are expected to increase \$19.1 million, or 7.2 percent.

**Utilities**—Growth in natural gas, coal and oil prices has slowed in recent months; however, four universities and the Office of the Chancellor will experience significant increases in electricity rates because of the expiration of rate caps on December 31, 2009. Therefore, PASSHE’s 2009-10 utility cost estimates reflect an increase of \$2.5 million, or 6.7 percent, to address anticipated rate increases and additions to university square footage. Projected rate increases will be partially offset by energy conservation efforts, including the use of energy savings corporations (ESCOs).

**All Other Basic Operating Expenditures**—Anticipated expenditures for services, supplies and materials are increasing approximately at the rate of inflation, currently estimated by the

Congressional Budget Office to be 3.4 percent. The cost of purchasing library materials is expected to increase approximately 10.0 percent, based on national trends. Cost estimates associated with several commodity and service categories take into account anticipated savings resulting from the use of strategic sourcing contracts, which combine the purchasing power of PASSHE's universities to obtain optimal pricing. In total, it is estimated that non-compensation expenditures will increase by \$11.6 million, or 3.3 percent, in 2009-10.

In addition to these basic adjustments, the 2009-10 operating budget incorporates costs necessary to improve PASSHE's ability to address the needs of the Commonwealth in the areas of science, mathematics, health, technology and the environment.

Throughout this decade, PASSHE's operating budgets have been developed to address mandatory cost increases while building upon increased efficiencies and cost containment initiatives. During this time period PASSHE universities—utilizing existing revenues and reallocated resources—have developed *new and expanded science, mathematics, health, technology and environmental programs in response to changing Commonwealth needs and student interests*. Evidence of these efforts includes:

- The number of science and technology degrees awarded increased by 35.5 percent from 2001-02 to 2006-07. Health sciences degrees have doubled and mathematics degrees have

grown by more than 50 percent. Since 2000, the number of physical science degrees awarded has nearly tripled and biological/environmental degrees have increased by two-thirds.

- The number of nursing degrees awarded has grown by nearly 50 percent; the number of physical therapy degrees, by 39 percent.
- Half of all new degree programs developed since 2001-02–36 in all—have been in the health, science, mathematics and technology-related fields. Meanwhile, 126 low-demand programs have been discontinued by the universities.
- To accommodate many of these new programs and to ensure academic quality, new or renovated science and technology facilities have been completed at Bloomsburg, California, East Stroudsburg, Kutztown, Mansfield, Millersville, Shippensburg, Slippery Rock and West Chester Universities of Pennsylvania. Additional facilities are under construction or are in design. No new funding was provided for equipping or maintaining these facilities.
- New science, mathematics, health, technology and environment programs are requiring significant new investments in technology, equipment and library

resources. Some of the technology tuition fee revenues are meeting this challenge. Through the Keystone Library Network, PASSHE universities are midway through a three-year plan to add to science, health and technology-related journals and online databases necessary to support program expansion.

- Significant capital investment being made in the Marine Science Consortium at Wallops Island, Virginia, will position PASSHE universities to develop unique partnership agreements with the National Aeronautics and Space Administration (NASA). These partnerships will provide a variety of capstone experiences for students studying science, mathematics, health, technology and the environment throughout the System.

As a result of increasing science, mathematics, technology and health programs and strengthening business programs, PASSHE universities are in a better position to participate in Keystone Innovation Zones (KIZs), Small Business Development Centers (SBDCs) and business incubators, all of which help spur economic growth in the Commonwealth.

To ensure continuing student access to affordable programs in science, mathematics, health, technology and the environment, additional investment in PASSHE is necessary. Other public Pennsylvania universities with strong programs in these areas charge at least double PASSHE's

tuition; some charge even more for program-specific tuition and fees. System universities have lost the budget flexibility to continue to build programs solely by reallocating resources. Additional educational and general funding is necessary to better address the needs of the Commonwealth in these vital areas. PASSHE will undertake new and enhanced efforts that will be specifically targeted at (a) developing professional science master's degrees to meet the needs of industry for science-based managers and entrepreneurs; (b) providing funds for universities to purchase industry-standard scientific equipment to enhance the preparation of students for science-based or health-related careers; (c) providing access to degrees in technical fields (both associate's and bachelor's degrees) in underserved areas of the Commonwealth to meet workforce demands; (d) increasing outreach efforts to serve specific technical training needs of labor and industry in selected areas of the state, especially related to emerging industries, including alternative energy; and (e) providing access to advanced science and mathematics expertise and courses to underserved high schools across the Commonwealth.

To support these efforts, an additional \$4.5 million has been included in PASSHE's 2009-10 operating budget. These combined adjustments result in an overall 2009-10 E&G operating budget of \$1.4 billion, an increase of \$69.2 million, or 5.1 percent. Increases in university revenue sources, primarily due to enrollment increases, will generate \$11.4 million

in new revenue, resulting in a new

funding requirement of \$57.8 million.

**Special Purpose Appropriations**

**Program Initiatives .....\$22.5 million**

**Performance Funding....\$10.5 million**


The Board of Governors has rewarded performance at PASSHE universities for the past nine years. In 2008-09, the performance funding program was funded with \$29.9 million from the E&G appropriation and \$10.0 million from the Program Initiatives line item, for a total of \$39.9 million, equivalent to 8 percent of the E&G appropriation. PASSHE is committed to continuing performance funding at this level in 2009-10, partially through the use of \$10.5 million in this line item.

**Information Technology....\$5.0 million**

PASSHE continues to enhance the System-wide integrated administrative system that is used to maximize efficiency of administrative processing (i.e., procurement, budget, accounting, human resources management, and payroll) and to support other IT requirements at all 14 universities and the Office of the Chancellor. Continued funding for this project is necessary to support implementation of additional functionality, upgrades to the administrative application and required hardware and disaster recovery.

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

PASSHE universities are key partners in state and regional

 <b>2009/10 Proposed Line Items</b> (In Millions)	
Program Initiatives	\$22.5
Performance Funding	10.5
Information Technology	5.0
Economic Development	5.0
Educator Excellence	2.0
Diversity and Equal Opportunity	2.2
McKeever Environmental Learning Center	0.6
PA Center for Environmental Education	0.4
<b>Total Line Items</b>	<b>\$25.7</b>

*Note: Numbers may not add due to rounding.*

economic development. Their mission-based contributions to economic development are increasing human capital for tangible productivity and income benefits and creating intellectual wealth for commercialization potential.

The Governor's Economic Stimulus Package has established programs to support collaboration among businesses and institutions of higher education, such as KIZs. Eight PASSHE universities are already partnering with KIZs.

Additionally, Small Business Development Centers are located at five PASSHE universities and business incubators have been established at six universities.

Continued funding of economic development initiatives will enhance PASSHE's partnerships with state and local communities to increase economic and community development throughout all regions of the Commonwealth. These initiatives include entrepreneurial

programs, business incubators, business and community infrastructure support, internship opportunities, workforce development and technology transfer.

**Educator Excellence.... \$2.0 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 improve the quality of school administrators and teachers at all levels, with particular emphasis on (1) enhancing the quality of preparation for PK-8 educators; (2) improving preparation of education students for the PRAXIS test; (3) increasing the number of qualified teachers and other professionals for urban school districts; (4) increasing the number and quality of science and mathematics teachers; (5) enhancing the skills of current teachers and administrators through professional development; and (6) increasing the diversity of the teacher workforce.

**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 minority student, 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.

**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 college, and beyond, 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 for \$580,000 provides full funding for operation of the center in fiscal year 2009-10.

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

The Pennsylvania Center for Environmental Education, also located at Slippery Rock University

of Pennsylvania, had been funded by the Commonwealth for several years through the Department of Environmental Protection. In 2007-08, funding for the center was

appropriated directly to PASSHE. This request of \$380,000 provides a 4.7 percent increase to support the center's ongoing operations in fiscal year 2009-10.

**FY 2009-10 Appropriations Requests** \_\_\_\_\_

Educational and General.....	\$526,924,000
Special Purpose	
Program Initiatives.....	\$ 22,538,000
Performance Funding.....	\$10,538,000
Information Technology.....	\$5,000,000
Economic Development.....	\$5,000,000
Educator Excellence.....	\$2,000,000
Diversity and Equal Opportunity.....	\$ 2,200,000
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 2009-10 recommends the Pennsylvania State System of Higher Education (PASSHE) receive an E&G appropriation of \$498.5 million. This amount would represent level funding from the current year's E&G appropriation. (Note: PASSHE's Board of Governors in October 2008 agreed to set aside approximately \$22 million from its 2008-09 E&G and special line item appropriations to return to the Commonwealth if necessary to help the state through its current economic crisis.) PASSHE has requested an increase of \$28.4 million, or 5.7 percent, in its E&G appropriation for FY 2009-10.

2009-10 Educational and General Appropriation (PASSHE Request vs. Governor's Budget)		
<u>PASSHE Appropriations Request</u>	<u>Governor's Budget</u>	<u>Difference</u>
\$526,924,000	\$498,509,000	(\$28,415,000)

### Special Line Item Appropriations

In addition to the proposed E&G appropriation, the Governor's Budget recommends an additional \$20.7 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:

2009-10 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	\$22,538,000	\$18,548,000	(\$3,990,000)
Diversity and Equal Opportunity	\$ 2,200,000	\$ 1,598,000	(\$ 602,000)
McKeever Environmental Learning Center	\$ 580,000	\$ 213,000	(\$ 367,000)
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.

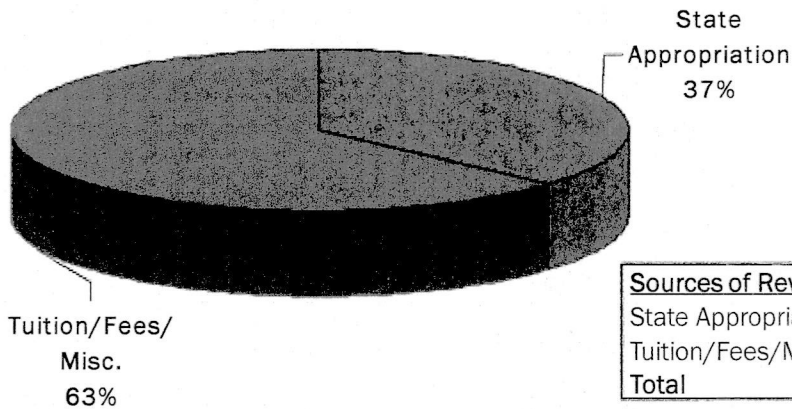
At its core, the mission of the System is to increase the intellectual wealth of the Commonwealth; to prepare students at all levels for personal and professional success in their lives; and to contribute to the economic, social and cultural development of Pennsylvania's communities, the Commonwealth 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 universities and extended communities;
- Applying the 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.

Appendix B

Pennsylvania State System of Higher Education  
 Summary of Sources and Uses  
 FY 2008/09 Educational and General Budget

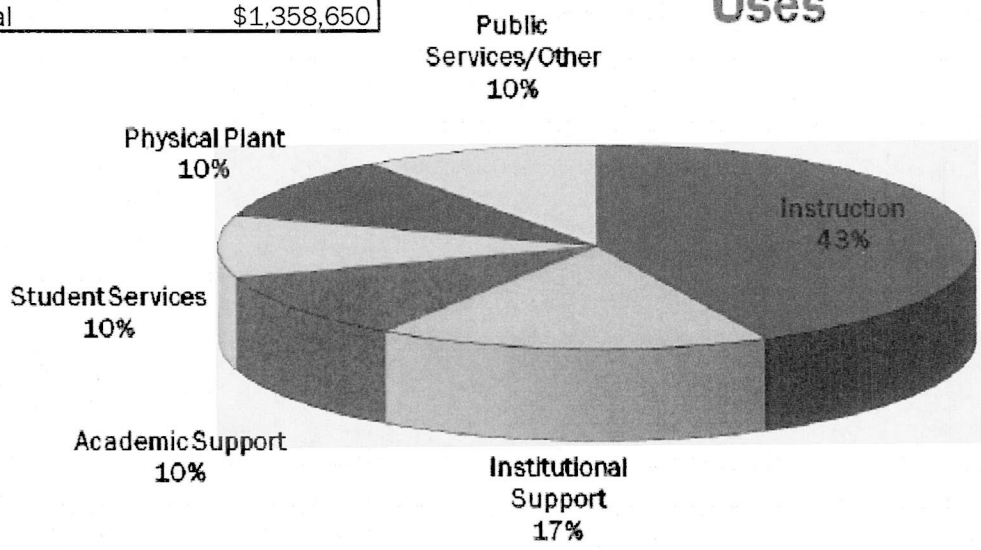
Sources



Sources of Revenue	(\$000)
State Appropriation	\$498,509
Tuition/Fees/Misc.	860,141
<b>Total</b>	<b>\$1,358,650</b>

Uses of Revenue	(\$000)
Instruction	\$580,171
Institutional Support	227,500
Academic Support	143,293
Student Services	133,615
Physical Plant	136,304
Public Services/Other	137,767
<b>Total</b>	<b>\$1,358,650</b>

Uses



## Appendix C

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

(Dollar Amounts in Thousands)

	Actual 2007/08	Original 2008/09	Budget Request 2009/10	Governor's Budget** 2009/10
<b>Source of Funds</b>				
State Appropriation*	\$483,989	\$498,509	\$526,924	\$498,509
Augmentation:				
Educational and General	822,136	860,141	900,973	900,973
Revenue Shortfall**	NA	NA	NA	28,415
<b>Total</b>	<b>\$1,306,125</b>	<b>\$1,358,650</b>	<b>\$1,427,897</b>	<b>\$1,427,897</b>
<b>Use of Funds</b>				
Personnel Expenditures	\$951,799	\$1,004,498	\$1,058,858	\$1,058,858
Operating Expenditures	259,643	269,445	282,746	282,746
Capital Assets/Transfers	94,684	84,707	86,293	86,293
<b>Total</b>	<b>\$1,306,125</b>	<b>\$1,358,650</b>	<b>\$1,427,897</b>	<b>\$1,427,897</b>
<b>Students (FTE)***</b>				
Undergraduate	91,575.50	92,346.13	93,149.44	93,149.44
Graduate	11,783.58	12,333.23	12,578.19	12,578.19
First Professional	NA	NA	NA	NA
<b>Total</b>	<b>103,359.08</b>	<b>104,679.36</b>	<b>105,727.63</b>	<b>105,727.63</b>
<b>Employees (FTE, including Auxiliary)</b>				
Instructional Faculty	5,316.00	5,376.98	5,395.43	5,395.43
Management	1,452.40	1,501.95	1,500.66	1,500.66
All Other Salaried	5,230.98	5,252.58	5,202.12	5,202.12
<b>Total</b>	<b>11,999.38</b>	<b>12,131.51</b>	<b>12,098.21</b>	<b>12,098.21</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 level funding for the Educational and General Appropriation. This recommendation produces a budgetary shortfall of \$28.4 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 2007/08 <sup>1</sup>	Original 2008/09 <sup>2</sup>	Budget Request 2009/10 <sup>3</sup>	Governor's Budget 2009/10
Special Purpose Appropriation	\$18,048	\$18,548	\$22,538	\$18,548
Other State Appropriation <sup>4</sup>	29,039	29,910	31,615	29,910
Tuition/Fees/Other	17,466	12,620	14,965	14,965
Restricted Funds	0	0	0	0
Revenue Shortfall	0	0	0	5,695
<b>Total</b>	<b>\$64,553</b>	<b>\$61,077</b>	<b>\$69,118</b>	<b>\$69,118</b>
<b>Use of Funds</b>				
Personnel Expenditures	\$30,554	\$30,132	\$33,947	\$33,947
Operating Expenditures	32,295	29,278	33,376	33,376
Capital Assets/Transfers	1,704	1,667	1,795	1,795
<b>Total</b>	<b>\$64,553</b>	<b>\$61,077</b>	<b>\$69,118</b>	<b>\$69,118</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	55.24	55.24	55.24	55.24
All Other Salaried	9.00	9.00	9.00	9.00
<b>Total</b>	<b>64.24</b>	<b>64.24</b>	<b>64.24</b>	<b>64.24</b>

<sup>1</sup>PASSHE's FY 2007/08 Program Initiatives line item supported \$9.7 million for Performance Funding, \$5.0 million for Information Technology, \$1.9 million for Economic Development and \$1.5 million for Educator Excellence. See page 5 for more information on these initiatives.

<sup>2</sup>PASSHE's FY 2008/09 Program Initiatives line item is supporting \$10.0 million for Performance Funding, \$5.0 million for Information Technology, \$1.9 million for Economic Development, \$1.2 million for Educator Excellence and \$0.5 million for Cheyney Revitalization. See page 5 for more information on these initiatives.

<sup>3</sup>PASSHE's FY 2009/10 Program Initiatives Appropriation Request includes \$10.5 million for Performance Funding, \$5.0 million for Information Technology, \$5.0 million for Economic Development and \$2.0 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 Technology 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 2007/08	Original 2008/09	Budget Request 2009/10	Governor's Budget 2009/10
State Appropriation	\$1,619	\$1,598	\$2,200	\$1,598
Tuition/Fees/Other	0	0	0	0
Restricted Funds	0	0	0	0
Revenue Shortfall	0	0	0	602
<b>Total</b>	<b>\$1,619</b>	<b>\$1,598</b>	<b>\$2,200</b>	<b>\$2,200</b>
<b>Use of Funds</b>				
Personnel Expenditures	\$62	\$61	\$84	\$84
Operating Expenditures	1,557	1,537	2,116	2,116
Capital Assets/Transfers	0	0	0	0
<b>Total</b>	<b>\$1,619</b>	<b>\$1,598</b>	<b>\$2,200</b>	<b>\$2,200</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.

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 2007/08	Original 2008/09	Budget Request 2009/10	Governor's Budget 2009/10
Special Purpose Appropriation	\$216	\$213	\$580	\$213
Other State Appropriation*	345	368	0	0
Tuition/Fees/Other	299	299	300	300
Restricted Funds	0	0	0	0
Revenue Shortfall	0	0	0	367
<b>Total</b>	<b>\$860</b>	<b>\$880</b>	<b>\$880</b>	<b>\$880</b>
<b>Use of Funds</b>				
Personnel Expenditures	\$498	\$527	\$550	\$550
Operating Expenditures	301	321	324	324
Capital Assets/Transfers	61	32	6	6
<b>Total</b>	<b>\$860</b>	<b>\$880</b>	<b>\$880</b>	<b>\$880</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 2008/09) requires \$581,332 in appropriations to perform its mission. The current special purpose appropriation of \$213,000 meets 36.6% of the Center's need, which is subsidized with \$368,332 of PASSHE's Educational and General Appropriation, at the expense of the System Universities, to ensure the Center's viability.

Appendix G

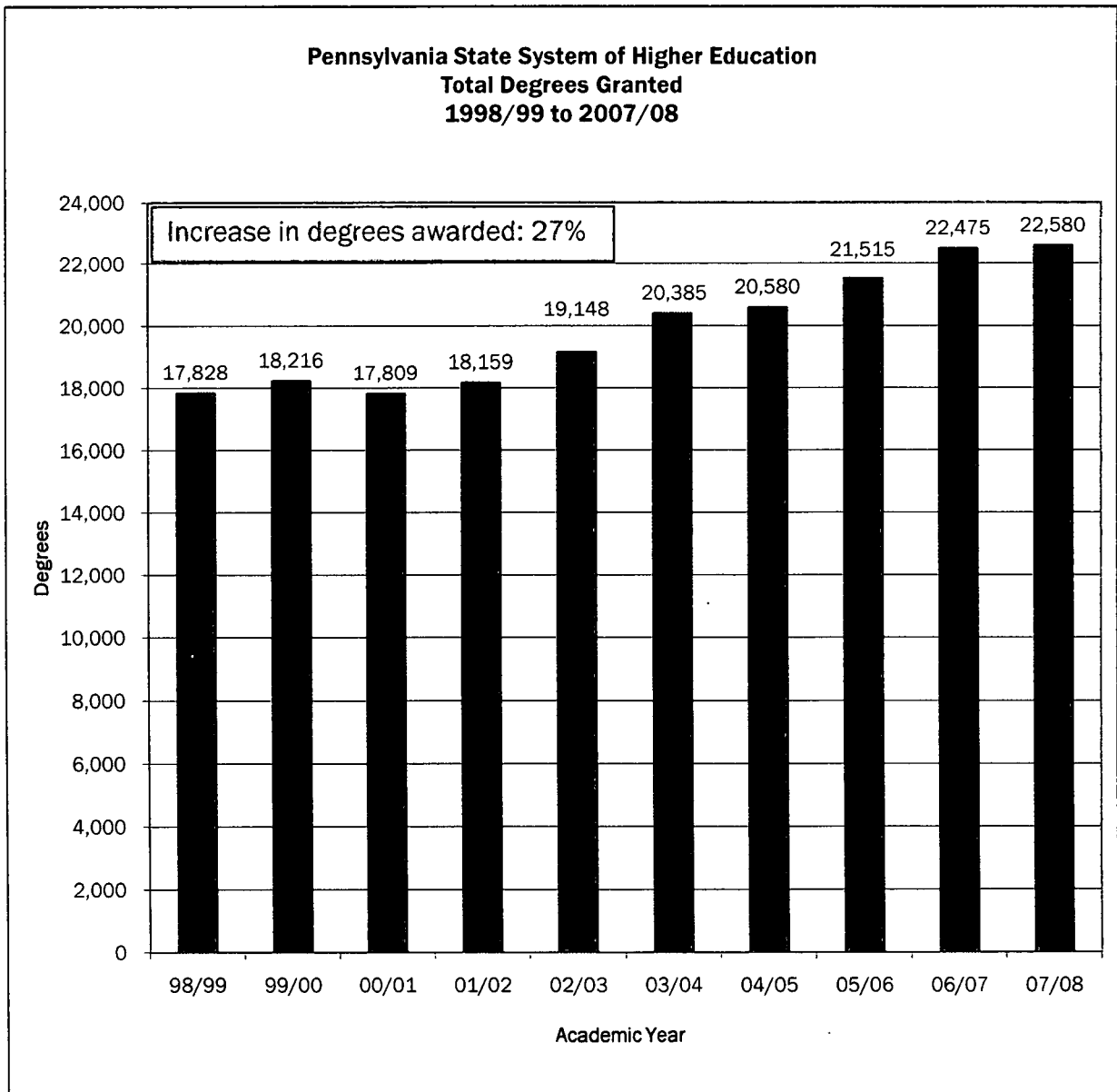
**Pennsylvania State System of Higher Education  
 Summary of Special Line Item Appropriation Request  
 Pennsylvania Center for Environmental Education**

(Dollar Amounts in Thousands)

Source of Funds	Actual 2007/08	Original 2008/09	Budget Request 2009/10	Governor's Budget 2009/10
Special Purpose Appropriation	\$368	\$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>\$368</b>	<b>\$368</b>	<b>\$380</b>	<b>\$380</b>
<b>Use of Funds</b>				
Personnel Expenditures	\$281	\$297	\$308	\$308
Operating Expenditures	87	71	72	72
Capital Assets/Transfers	0	0	0	0
<b>Total</b>	<b>\$368</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 2007/08	Projected 2008/09	Projected 2009/10
Associate Degrees Awarded	382	405	430
Bachelors Degrees Awarded	17,457	17,606	17,907
Graduate Degrees Awarded	4,741	4,898	5,055
Total Degrees Awarded	22,580	22,909	23,392





## Appendix I

## Pennsylvania State System of Higher Education

Applications, Acceptances, and Enrollments\*  
of Pennsylvania Residents, by Race, 1999-2008

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>AFRICAN AMERICAN</b>										
Applications	5,864	5,801	6,362	6,869	7,980	9,838	10,717	13,195	13,474	15,108
Acceptances	3,315	3,062	2,999	3,747	4,025	4,631	4,983	5,633	5,773	6,321
Enrollments	1,125	1,121	1,226	1,287	1,538	1,594	1,810	1,800	1,876	1,830
Percent Accepted	56.5%	52.8%	47.1%	54.5%	50.4%	47.1%	46.5%	42.7%	42.8%	41.8%
Percent Accepted Who Enroll	33.9%	36.6%	40.9%	34.3%	38.2%	34.4%	36.3%	32.0%	32.5%	29.0%
Percent Applied Who Enroll	19.2%	19.3%	19.3%	18.7%	19.3%	16.2%	16.9%	13.6%	13.9%	12.1%
<b>LATINO</b>										
Applications	706	739	929	1,333	1,209	1,610	1,727	1,999	2,383	2,774
Acceptances	458	475	597	878	763	994	1,052	1,156	1,399	1,532
Enrollments	179	203	250	319	319	386	426	434	505	502
Percent Accepted	64.9%	64.3%	64.3%	65.9%	63.1%	61.7%	60.9%	57.8%	58.7%	55.2%
Percent Accepted Who Enroll	39.1%	42.7%	41.9%	36.3%	41.8%	38.8%	40.5%	37.5%	36.1%	32.8%
Percent Applied Who Enroll	25.4%	27.5%	26.9%	23.9%	26.4%	24.0%	24.7%	21.7%	21.2%	18.1%
<b>AMERICAN INDIAN OR ALASKAN NATIVE</b>										
Applications	96	121	135	123	135	152	147	214	182	208
Acceptances	64	76	88	80	86	109	106	118	106	113
Enrollments	29	36	42	39	38	44	48	44	46	46
Percent Accepted	66.7%	62.8%	65.2%	65.0%	63.7%	71.7%	72.1%	55.1%	58.2%	54.3%
Percent Accepted Who Enroll	45.3%	47.4%	47.7%	48.8%	44.2%	40.4%	45.3%	37.3%	43.4%	40.7%
Percent Applied Who Enroll	30.2%	29.8%	31.1%	31.7%	28.1%	28.9%	32.7%	20.6%	25.3%	22.1%
<b>ASIAN OR PACIFIC ISLANDER</b>										
Applications	705	641	734	830	767	846	893	1,061	1,009	1,062
Acceptances	484	432	496	566	518	552	594	667	643	669
Enrollments	141	152	156	188	162	187	196	182	195	209
Percent Accepted	68.7%	67.4%	67.6%	68.2%	67.5%	65.2%	66.5%	62.9%	63.7%	63.0%
Percent Accepted Who Enroll	29.1%	35.2%	31.5%	33.2%	31.3%	33.9%	33.0%	27.3%	30.3%	31.2%
Percent Applied Who Enroll	20.0%	23.7%	21.3%	22.7%	21.1%	22.1%	21.9%	17.2%	19.3%	19.7%
<b>UNKNOWN**</b>										
Applications				1,107	3,065	4,446	3,996	4,581	4,978	5,844
Acceptances				752	1,932	2,828	2,524	2,512	2,883	3,161
Enrollments				299	718	1,002	865	829	1,190	1,076
Percent Accepted				67.9%	63.0%	63.6%	63.2%	54.8%	57.9%	54.1%
Percent Accepted Who Enroll				39.8%	37.2%	35.4%	34.3%	33.0%	41.3%	34.0%
Percent Applied Who Enroll				27.0%	23.4%	22.5%	21.6%	18.1%	23.9%	18.4%
<b>WHITE</b>										
Applications	43,905	45,418	46,506	48,008	47,122	47,370	46,023	48,247	49,292	52,460
Acceptances	32,978	32,835	33,622	34,387	33,656	34,201	33,148	34,040	34,678	36,249
Enrollments	14,140	14,730	14,634	13,830	14,769	14,172	14,132	14,053	14,374	14,688
Percent Accepted	75.1%	72.3%	72.3%	71.6%	71.4%	72.2%	72.0%	70.6%	70.4%	69.1%
Percent Accepted Who Enroll	42.9%	44.9%	43.5%	40.2%	43.9%	41.4%	42.6%	41.3%	41.4%	40.5%
Percent Applied Who Enroll	32.2%	32.4%	31.5%	28.8%	31.3%	29.9%	30.7%	29.1%	29.2%	28.0%
<b>TOTAL</b>										
Applications	51,276	52,720	54,666	57,163	60,278	64,262	63,503	69,297	71,318	77,456
Acceptances	37,299	36,880	37,802	39,658	40,980	43,315	42,407	44,126	45,482	48,045
Enrollments	15,614	16,242	16,308	15,663	17,544	17,385	17,477	17,342	18,186	18,351
Percent Accepted	72.7%	70.0%	69.2%	69.4%	68.0%	67.4%	66.8%	63.7%	63.8%	62.0%
Percent Accepted Who Enroll	41.9%	44.0%	43.1%	39.5%	42.8%	40.1%	41.2%	39.3%	40.0%	38.2%
Percent Applied Who Enroll	30.5%	30.8%	29.8%	27.4%	29.1%	27.1%	27.5%	25.0%	25.5%	23.7%

\*First-Time Freshmen

\*\*Unknown Ethnicity First Reported in 2002

SOURCE: PDE327 REPORTS

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. Linda Lamwers, Interim President*

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