



Board of Governors' Quarterly Meeting Agenda

Wednesday, January 18, 2012

1:30 p.m.

Committee Meetings (Boardroom)

- Academic and Student Affairs
- External Relations
- Finance, Administration, and Facilities
- Human Resources
- Executive

Thursday, January 19, 2012

9:00 a.m.

Meeting of the Board of Governors (Boardroom)

Adjournment



Board of Governors' Quarterly Meeting Agenda

Boardroom, First Floor
Administration Building
Dixon University Center
2986 North Second Street
Harrisburg, PA 17110-1201

Agenda Summary

Wednesday, January 18, 2012
1:30 p.m.

- **Academic and Student Affairs**
 - Approval of a Bachelor of Applied Science Degree Program in Technical Leadership at Bloomsburg University of Pennsylvania (ACTION)
 - Approval of a Bachelor of Science Degree Program in Allied Health Leadership at Clarion University of Pennsylvania (ACTION)
 - Approval of a Master of Arts in Teaching Degree Program in Science Education at Shippensburg University of Pennsylvania (ACTION)
 - Revisions to Board of Governors' Policy 1985-01-A: *Requirements for Initiation or Change of Credit-Based Academic Programs* and Board of Governors' Policy 1990-06-A: *Academic Degrees* (ACTION)
- **External Relations**
 - Advocacy Update (INFORMATION)
 - Legislative Update (INFORMATION)
- **Finance, Administration, and Facilities**
 - Nonresident Tuition Plans (ACTION)
 - Revisions to Board of Governors' Financial Policies (ACTION)
 - Revisions to Board of Governors' Procurement and Facilities Management Policies (ACTION)
 - Board of Governors' Investment Policy Review by Independent Investment Consultant (ACTION)
 - Natali Student Center Renovation and Expansion, California University of Pennsylvania (ACTION)
 - Dining Hall Renovation and Construction, Indiana University of Pennsylvania (ACTION)

- **Finance, Administration, and Facilities (continued)**
 - Property Acquisition, West Chester University of Pennsylvania (ACTION)
 - 2011/12 Educational and General Appropriations Freeze (INFORMATION)
 - Demolition of 350 Normal Street, Hawthorn Residence Hall, and Hemlock Residence Hall, East Stroudsburg University of Pennsylvania (INFORMATION)
 - Demolition of Alumni House, Beecher House, and Doane Center, Mansfield University of Pennsylvania (INFORMATION)

- **Human Resources**
 - Collective Bargaining Agreement for Security, Police, Fire Professionals of America (SPFPA) (ACTION)
 - Collective Bargaining Agreement for Pennsylvania Social Service Union (PSSU) (ACTION)
 - Collective Bargaining Agreement for Pennsylvania Doctors' Alliance (PDA) (ACTION)

- **Executive**
 - Approval of Board of Governors' Policy 2012-01: *Conflict of Interest* (ACTION)

Board of Governors' Meeting
Thursday, January 19, 2012
9:00 a.m.

- **Board**
 - Standing Committee Assignments (ACTION)
 - Resolution (ACTION)
 - Robert M. Smith
 - Consolidated University Operations (INFORMATION)



Academic and Student Affairs Committee Meeting

Boardroom, First Floor
Administration Building
Dixon University Center
2986 North Second Street
Harrisburg, PA 17110-1201

Wednesday, January 18, 2012

Agenda

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Committee Members: Aaron A. Walton (*Chair*), Representative Matthew E. Baker, Sarah C. Darling, Senator Jeffrey E. Piccola, Secretary Ronald J. Tomalis, and Guido M. Pichini (*ex officio*).

For further information, contact Peter H. Garland at (717) 720-4010.

Academic and Student Affairs Committee Meeting

January 18, 2012

SUBJECT: Approval of a Bachelor of Applied Science Degree Program in Technical Leadership from Bloomsburg University of Pennsylvania (ACTION)

UNIVERSITIES AFFECTED: Bloomsburg University of Pennsylvania

BACKGROUND: Bloomsburg University of Pennsylvania proposes a Bachelor of Applied Science in Technical Leadership. The goal of the Technical Leadership program is to provide graduates of Associate of Applied Science (A.A.S.) technical degree programs with a much needed pathway to a baccalaureate degree. Such a pathway will offer technical professionals in the Commonwealth the opportunity to develop the skills necessary to go beyond discipline-specific technical knowledge and effectively assume technical supervisory or management roles. The degree's focus on the leadership, supervision and management skills required in today's high-technology work environment makes it an applied baccalaureate degree well suited for students with an A.A.S. degree.

Bloomsburg University will offer this B.A.S. degree completion program in a cost effective manner by co-locating and offering the program through varied instructional delivery methods in partnership with a community college(s). The proposed methods include, but are not limited to, face-to-face and online. Bloomsburg University of Pennsylvania will be the first university in the System and the Commonwealth to offer a low-cost, affordable Bachelors of Applied Science degree to citizens with Applied Associate degrees.

MOTION: That the Board of Governors approve the Bachelor of Applied Science Degree Program in Technical Leadership at Bloomsburg University of Pennsylvania.

Supporting Documents Included: Executive Summary of Degree Proposal and Five-Year Budget Projection

Other Supporting Documents Available: Degree Proposal

Reviewed by: Bloomsburg University Council of Trustees, November 30, 2011

Prepared by: Kathleen M. Howley

Telephone: (717) 720-4200

**Executive Summary of Degree Program Proposal
Bachelor of Applied Science Degree in Technical Leadership
Bloomsburg University of Pennsylvania**

January 18, 2012

1. Appropriateness to the Mission

The goal of the Technical Leadership program is to provide graduates of Associate of Applied Science (A.A.S.) technical degree programs with a much needed pathway to a baccalaureate degree. Such a pathway will offer technical professionals in the Commonwealth the opportunity to develop the skills necessary to go beyond discipline-specific technical knowledge and effectively assume technical supervisory or management roles. In addition, it is Bloomsburg University's intent to offer this B.A.S. degree completion program in a cost effective manner, by co-locating and offering the program through varied instructional delivery modalities in partnership with a community college(s) to be identified. The proposed modalities include, but are not limited to, face-to-face and online. In these ways, the program supports the articulated strategies and initiatives of the Board of Governors of the State System of Higher Education and Bloomsburg University.

2. Need

The education of technical professionals is important to the nation. Current research identifies technicians as essential workers whose knowledge, skills and adaptability to changing technologies are vital to the success and competitiveness of American companies, both domestically and internationally. However, about half of the U.S. workforce lacks the requisite skills to function well in the new global economy, with IT employees being significantly underprepared and underequipped for advancement. These national trends are also noted in the Commonwealth in recent analyses by the Pennsylvania Bureau of Labor & Industry, the Central Pennsylvania Workforce Development Corporation and the Workforce Investment Board for the nine counties that make up the Central Pennsylvania Region. Over the next five years, the occupations expected to show rapid growth are Network and Computer Systems Administrators, Computer Specialists, Database Administrators and Computer and Information Systems Managers. The proposed B.A.S. degree in Technical Leadership will initially focus on computer specialties in web design and development, network technology and programming, thereby beginning to address projected Commonwealth needs.

Currently, there is no degree program of this type in the Commonwealth. Bloomsburg University of Pennsylvania will be the first university in the Commonwealth to offer a low-cost, affordable Bachelor's of Applied Science degree to citizens with Applied Associate degrees. Needs and interest analyses of several of Bloomsburg University's regional community college partners

indicate sustainable enrollment capacity for the specializations in the Technical Leadership program as well as pipeline development opportunities at the secondary vocational school level. Based on these analyses and Bloomsburg University's success with high impact recruitment and retention practices, enrollment goals are: an initial target of 20 students, an annual target of 25 new students, an overall program enrollment equivalency of 40 full-time students, and 18-20 graduates per year. If approved, Bloomsburg University will continue and expand discussion of collaboration with other PASSHE universities in order to offer non-duplicated specializations under the Technical Leadership program umbrella.

3. Academic Integrity

The proposed Bachelor of Applied Science degree in Technical Leadership adopts an integrated educational approach by building on the high-level technical coursework of the A.A.S. degree with a combination of managerial, advanced technical and general education coursework. The degree's focus on the leadership, supervision and management skills required in today's high-technology work environment makes it an applied baccalaureate degree well suited for students with an A.A.S. degree.

The curricular model for the B.A.S. degree is a 120 credit program with a minimum of 60 credits awarded through an A.A.S. degree program in an approved area of specialization from an accredited two-year institution. The remainder of the 120 credits will be delivered through three categories of coursework: a core component of 21-24 credits that focuses on the development of management and leadership in technical fields; a Major-related component of 15-18 credits that addresses advanced coursework in the specialization; and an elective component of 18-24 credits that will enable students to enhance their critical thinking and analytical skills, as well as to take other courses of interest to complete the program. The credit range assigned to each component is to allow flexibility in designing programs for distinctive areas of technical specialization so that competencies acquired through coursework in the applied associate program align for seamless articulation with the applied baccalaureate program.

4. Coordination/Cooperation/Partnerships

The B.A.S. in Technical Leadership program was developed in collaboration with faculty and administrators from Bloomsburg University, Lehigh Carbon Community College and Lehigh Career and Technical Institute. This has involved input from departments in Bloomsburg University's Colleges of Liberal Arts, Business and Science and Technology, and academic support units; LCCC's School of Computer Science and the Arts, Office of Academic Advisement, Office of Transfer Services and other student support departments. The placement of the Program Director on-site at the LCCC campus will facilitate ongoing interaction between the institutions. Assistance has also been offered by the LCCC Internship and Workforce Development offices in the identification of

internship sites and candidates for the advisory board of professional technical personnel. The Department of Instructional Technology will provide additional training for online delivery and ensure that students taking online courses have 24/7 support, of similar quality to that provided for other online courses and distance education programs.

Input from technical industry representatives has been solicited during the development of this program. A Technical Leadership Program Advisory Board, consisting of 10-15 professionals from technical fields, will be formed for the purpose of keeping the Technical Leadership program curriculum current and creating goodwill among potential employers of our graduates. The board will assist in exploring possibilities for expansion of the program to include other technical and professional disciplines once the Technical Leadership program has been fully established. This exploration will include discussions with other community colleges and PASSHE universities to assess and identify collaborative ways to address regional and statewide needs. Interest in serving on the advisory board has been expressed by technology management professionals in several different industries.

5. Assessment and Accreditation

Oversight for all curricular and co-curricular experiences is provided by Bloomsburg University's Office of Planning and Assessment. The director serves as a resource to all departments for existing, new and proposed learning experiences. A key duty in the director's responsibilities is to review key indicators related to enrollment, retention, academic progress and graduation in order to assess the performance and sustainability of newly implemented programs. These indicators are reviewed by term and academic year and discussed with department chairs and deans.

The Technical Leadership Program Director will develop a plan to periodically collect information related to achieving program goals from current students, program graduates, faculty and employers. This information will be reviewed to identify deficiencies or gaps that require program adjustment.

6. Resource Sufficiency

During the initial stages of the B.A.S. in Technical Leadership degree program, instruction will be handled by current faculty and temporary instructors as needed. As program enrollment increases, there may be a need to hire a tenure-track faculty member.

As mentioned above, a Program Director, based on the LCCC campus, will be hired to oversee program management and development.

Students will have access to online resources through Bloomsburg University's Harvey A. Andruss Library website and to print materials through interlibrary loan. They will also have access to on-site and online resources at their community

college library. Discussions have been initiated with the library to revise the departmental profile to improve resource availability for the program.

There will be no impact on classroom space on the Bloomsburg University campus. All courses will be taught either at the LCCC campus or online. No additional hardware or software requirements are expected for this program.

7. Impact on Educational Opportunity

The Technical Leadership program will actively seek a diverse student pool and will bring access to advanced education in support of leadership development in STEM (Science, Technology, Engineering, and Math) fields to a variety of underrepresented groups and first generation students. The Program Director will work with LCCC advisors and Bloomsburg University's Offices of Planning and Assessment, and Academic Achievement to advise and support student retention and academic progress to degree completion. The successful main campus model of intrusive advisement and academic support will be extended to the LCCC campus to provide additional assistance to these students. Also, through its blend of courses provided on-site at the community college campus and online, the program will appeal to students who have difficulty relocating as required by a traditional university transfer model. By starting in an A.A.S. degree program, students will also be able to complete an entire four-year degree for a significantly lower cost than at a traditional 4-year institution; a significant factor for economically disadvantaged students.

The program will also appeal to and support the needs of non-traditional students and working professionals, who often cannot access the additional education required to advance in their fields. Students will have the flexibility to attend classes full or part-time, combining educational advancement opportunities with an ability to maintain continuous employment.

Current faculty and faculty recruited to teach in the program will be provided with new educational opportunities that will broaden their teaching expertise through professional development activities in a variety of technical fields. The program opens up both the need and the opportunity for significant faculty professional development and provides faculty with a significant level of interaction with technical professionals in a variety of different industries. It is also expected that Lehigh Carbon Community College and Bloomsburg University faculty will benefit from their frequent interaction and dual involvement in support of students.

Employers will benefit from having a larger pool of well qualified candidates from which to select future employees who are capable of advancing to and assuming leadership roles in their fields. Employer involvement in the Technical Leadership Program Advisory Board will also provide an opportunity to participate in the development of the constantly evolving role of technology and service professionals in an expanding global economy.

Prepared by: Ira K. Blake, Ph.D., Provost and Senior Vice President for Academic Affairs
Implementation Date: Fall 2012

Five-Year Budget Projection

Program Revenue

Budget Assumptions (Part-time students projected at 6 credit hours per semester)

- Student Enrollment projections:
 - Year 1 ('12-13) 15 full-time; 12 part-time students
 - Year 2 ('13-14) 30 full-time; 20 part-time students
 - Year 3 ('14-15) 35 full-time; 25 part-time students
 - Year 4 ('15-16) 35 full-time; 30 part-time students
 - Year 5 ('16-17) 35 full-time; 35 part-time students

- Tuition revenue is based on a 4% annual increase:
 - Current ('11-12) \$3,120.00/semester
 - Year 1 ('12-13) \$3,245.00/semester
 - Year 2 ('13-14) \$3,375.00/semester
 - Year 3 ('14-15) \$3,510.00/semester
 - Year 4 ('15-16) \$3,650.00/semester
 - Year 5 ('16-17) \$3,796.00/semester

- Fees include Student Technology (\$174.00 per student) and Academic Enhancement (\$330 per student)– total fees \$504.00/semester

Program Expenses

- Full-time Program Director – Position projected with a budgeted 3% annual salary increase and annual benefits increase.
 - FY 12-13 $\$75,000.00 + \$37,560.00 = \$112,560.00$
 - FY 13-14 $\$77,250.00 + \$39,247.00 = \$116,497.00$
 - FY 14-15 $\$79,568.00 + \$41,684.00 = \$121,252.00$
 - FY 15-16 $\$81,955.00 + \$44,325.00 = \$126,280.00$
 - FY 16-17 $\$84,413.00 + \$47,187.00 = \$131,600.00$

- Additional faculty salary costs include instruction of courses outside the Department of Instructional Technology.

- The costs are projected based on temporary faculty status.
 - FY 12-13: \$7,000.00 per course; 4 courses per semester; $\$56,000.00 + \$30,800.00 = \$86,800.00$
 - FY 13-14: \$7,210.00 per course; 4 courses per semester; $\$57,680.00 + \$31,725.00 = \$89,405.00$
 - FY 14-15: \$7,426.00 per course; 4 courses per semester; $\$59,408.00 + \$35,644.00 = \$95,052.00$

- FY 15-16: \$7,648.00 per course; 4 courses per semester; \$61,184.00 + \$36,710.00 = \$97,894.00
 - FY 16-17: \$7,877.00 per course; 5 courses per semester; \$78,770.00 + \$47,262.00 = \$126,032.00
- Classroom rentals are projected to be \$50 per student.
 - FY 12-13 \$50.00 x 54 students = \$2,700.00
 - FY 13-14 \$50.00 x 100 students = \$5,000.00
 - FY 14-15 \$50.00 x 120 students = \$6,000.00
 - FY 15-16 \$50.00 x 130 students = \$6,500.00
 - FY 16-17 \$50.00 x 140 students = \$7,000.00

FIVE-YEAR BUDGET PROJECTION

UNIVERSITY: Bloomsburg University of Pennsylvania

PROPOSED PROGRAM: Bachelor of Applied Science (B.A.S.) in Technical Leadership

| ESTIMATED REVENUES | Year 1 (2012-13) | | Year 2 (2013-14) | | Year 3 (2014-15) | | Year 4 (2015-16) | | Year 5 (2016-17) | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Existing | New | Existing | New | Existing | New | Existing | New | Existing | New |
| Projected University E&G | | 157,458.00 | | 310,320.00 | | 377,316.00 | | 415,400.00 | | 447,200.00 |
| External Grants and Contracts | | | | | | | | | | |
| Other | | | | | | | | | | |
| TOTAL REVENUE | | \$157,458.00 | | \$310,320.00 | | \$377,316.00 | | \$415,400.00 | | \$447,200.00 |
| ESTIMATED EXPENSES | Year 1 | | Year 2 | | Year 3 | | Year 4 | | Year 5 | |
| Salaries and/or benefits (Faculty and Staff) | | 199,360.00 | | 205,902.00 | | 216,304.00 | | 224,174.00 | | 257,632.00 |
| Learning resources | | 2,000.00 | | 2,000.00 | | 2,000.00 | | 2,000.00 | | 2,000.00 |
| Instructional Equipment | | | | | | | | | | |
| Facilities and/or modifications | | | | | | | | | | |
| Other (Classroom Rentals) | | 2,700.00 | | 5,000.00 | | 6,000.00 | | 6,500.00 | | 7,000.00 |
| TOTAL EXPENSES | | \$204,060.00 | | \$212,902.00 | | \$224,304.00 | | \$232,674.00 | | \$266,632.00 |
| DIFFERENCE (Rev.-Exp.) | | -46,602.00 | | 97,418.00 | | 153,012.00 | | 182,726.00 | | 180,568.00 |
| ESTIMATED IMPACT OF NEW PROGRAM | Year 1 | | Year 2 | | Year 3 | | Year 4 | | Year 5 | |
| FTE Enrollment | | 21 | | 40 | | 47 | | 50 | | 52 |
| Projected Annual Credits Generated | | 504 | | 960 | | 1,128 | | 1,200 | | 1,248 |
| Tuition Generated | | \$136,290.00 | | \$270,000.00 | | \$329,940.00 | | \$365,000.00 | | \$394,784.00 |

Academic and Student Affairs Committee Meeting

January 18, 2012

SUBJECT: Approval of a Bachelor of Science Degree Program in Allied Health Leadership at Clarion University of Pennsylvania (ACTION)

UNIVERSITIES AFFECTED: Clarion University of Pennsylvania

BACKGROUND: Clarion University of Pennsylvania proposes an online Bachelor of Science (BS) degree program in Allied Health Leadership. The interdisciplinary focus of the program is unique within PASSHE and provides core courses in health care (with a significant clinical component) and business administration combined with courses in the liberal arts that support the development of decision makers and leaders.

This proposed program, designed to provide a career ladder for working professionals who have completed an accredited allied health educational program, will position graduates for employment and career advancement opportunities in high-demand fields such as health services management as well as positions in health care education and medical sales. Further, the BS in Allied Health Leadership will prepare highly-qualified students for graduate education in fields such as health policy and health care administration.

MOTION: That the Board of Governors approve the Bachelor of Science Degree program in Allied Health Leadership at Clarion University of Pennsylvania.

Supporting Documents Included: Executive Summary of Degree Proposal and Five-Year Budget Projection

Other Supporting Documents Available: Degree Proposal

Reviewed by: Clarion University Council of Trustees, September 15, 2011

Prepared by: Kathleen M. Howley

Telephone: (717) 720-4200

**Executive Summary of Degree Proposal
Bachelor of Science in Allied Health Leadership
Clarion University of Pennsylvania**

January 18, 2012

1. Appropriateness to the Mission

Clarion University of Pennsylvania (Clarion) proposes a new Bachelor of Science (BS) degree program in Allied Health Leadership. This degree program requires completion of coursework in liberal studies, business administration, and in an allied health discipline. In support of the Pennsylvania State System's (PASSHE's) Strategic Initiatives, the program upholds PASSHE's aim of "delivering programs in the most conducive ways to learning," and in a manner that "reflects the needs of students." The online BS in Allied Health Leadership degree program will enable working professionals, who otherwise may have no viable options of realizing career advancement, to achieve academic goals while also meeting family and work demands.

The program supports PASSHE's guiding principle of retaining its position as "the most affordable of all four-year colleges and universities in the Commonwealth" because students will transfer in 30 to 60 credits for allied health clinical course work that has already been completed. Program affordability to students is enhanced and faster degree completion is facilitated. The program is offered through a collaborative entrepreneurial effort of Clarion's School of Nursing and Allied Health, College of Business Administration, and Office of Graduate and Extended Programs and therefore supports PASSHE's initiative to "rethink university entrepreneurship and flexibility." The interdisciplinary focus of the program is unique within PASSHE and entails core courses in health care (with a significant clinical component) and business administration combined with courses in the liberal arts that support the development of decision makers and leaders. The program supports the charge that PASSHE makes to its universities to "enhance the quality of life of their host communities and to help improve local and regional economic conditions" because program graduates will be positioned for employment and career advancement opportunities in high-demand fields such as health services management as well as positions in health care education and medical sales. Further, the BS in Allied Health Leadership will prepare highly-qualified students for graduate education in fields such as health policy and health care administration.

The program supports Clarion's mission by enhancing university strategic growth through expanded academic programs offered in a collaborative manner that maximizes efficient use of university resources. Program graduates will possess interdisciplinary knowledge and skills that health care organizations favor in their leaders/managers. As such, the program will aid students, communities, and the health care industry at local, state, and national levels by providing viable educational opportunities that support employment and economic growth.

2. **Need**

The need for the new program is demonstrated by market demand and enrollment projections that are evidence-based and are supported by data from federal and state employment agencies, as well as from surveys of local and regional health care organizations and Clarion University students.

Federal and state projected market demand reports indicate ongoing need for health care workers including medical and health services managers. Nationally, employment for health care managers is expected to grow faster than average with an anticipated 16 percent increase in demand through 2018. Job opportunities "should be good, especially for applicants with work experience in the health care field and strong business management skills." Openings for medical and health services managers in Pennsylvania are projected to increase to 13,190 in 2014 (> 12 percent). Health services managers are identified on the 2010 Pennsylvania Statewide High Priority Occupations List and the high priority lists of all workforce investment boards in western Pennsylvania.

A fall 2010 survey of human resources vice presidents and directors of hospitals in western Pennsylvania conducted by Clarion's Department of Allied Health indicated strong interest among program graduates. All survey respondents rated their organization's interest in and demand for program graduates as either very strong or somewhat strong. Additionally, a fall 2010 survey of students currently enrolled in health care programs at Clarion University indicated strong interest in the program. Seventy-two percent of then-enrolled respiratory care majors as well as seventy-two percent of respiratory graduates indicated very strong or somewhat strong interest in the program. A survey of paramedic students enrolled at New York Methodist Hospital, an affiliated clinical partner of Clarion, indicated that over 52 percent were very or somewhat strongly interested in the program. The propensity of Clarion University to successfully recruit graduates of its associate degree-level respiratory care and allied health programs into the proposed BS program is strongly supported by a 55 percent 5-year matriculation trend of ASN to BSN degree nursing students at Clarion.

3. **Academic Integrity**

The BS in Allied Health Leadership curriculum requires completion of Clarion's general education program, business administration course work, and health care coursework, much of which will be completed at an accredited allied health educational program. The interdisciplinary curriculum was designed through the collaborative expertise of faculty and administration in Clarion's School of Nursing and Allied Health, College of Business Administration, and Office of Graduate and Extended Programs.

Students will transfer into Clarion 30 to 60 clinical credits for completion of an accredited allied health educational program. Clarion has a strong record of success using this model as evidenced by the university's flourishing programs in medical imaging sciences, allied health, respiratory care, and applied

technology. Students who transfer in less than 60 clinical credits will earn cognate credits by completing cooperative learning experiences, internships, and/or upper-division coursework offered by the School of Nursing and Allied Health.

4. Coordination/Cooperation/Partnerships

The BS in Allied Health Leadership program can stand alone but can also articulate with Clarion University's 79-credit associate of science degree respiratory care program and 60-credit associate degree of science allied health program.

The program facilitates partnerships with other PASSHE and non-PASSHE universities, community colleges, technical schools, and proprietary schools that offer accredited programs in allied health at the diploma or associate degree levels.

Graduates of the BS in Allied Health Leadership program will be positioned to matriculate into Clarion's Master of Business Administration degree program. The addition of a track in education for the BS in Allied Health Leadership program will be explored in the future with Clarion's College of Education and Human Services.

5. Assessment

An outcomes assessment plan has been developed for the program and will be used to demonstrate the degree to which the program is realizing its intended purpose. Goals and objectives that speak to program quality and efficacy will be assessed by measurable outcomes using program completion rates, graduate and employer surveys, graduate school admission rates, and five-year program review with external consultation. Student learning outcomes will be measured via course embedded assessment. Data from outcomes assessment will be used for continuous programmatic improvement.

6. Resource Sufficiency

With the exception of one upper-division health care leadership capstone course, all other courses required for the program are currently offered at Clarion. As such, there is no anticipated need for significant additional resources at this time. Future new finance and/or business administration courses may require an additional 0.125 temporary faculty position for each department. In part, the need to hire additional temporary faculty members for future course needs will depend on when the courses will be offered and the expertise of new tenure track hires. However, future new courses also have potential to generate tuition income from students in other majors besides allied health.

Program administration and student advising will be provided by the School of Nursing and Allied Health and the Office of Graduate and Extended Programs.

Students enrolled in the program will have access to Clarion's library. The addition of an online journal specific to health care leadership will be pursued. This library resource will also be accessible to other health care majors at Clarion University including medical imaging, respiratory care, and nursing. The five-year budget projection demonstrates program sustainability and includes a full assessment of indirect/infrastructure costs.

7. Impact on Educational Opportunity

The program will meet the needs of a population of students in the Commonwealth and beyond who otherwise might not be able to attend traditional classes because of geographical, family, and/or work constraints. Further, the program will contribute to the outstanding opportunity that Clarion University has to serve diverse student populations through distance education initiatives.

Program graduates will create a unique pool of hybrid employees for local, regional, and national health care organizations. The liberal education and business administration coursework, combined with clinical experience and expertise of program graduates, will render them as valuable employees who have the knowledge and skills to effectively assume roles as health care leaders/managers. Further, graduates will be well positioned for graduate-level educational programs.

Prepared by: Dr. Ronald Nowaczyk, Provost and Academic Vice President

Implementation Date: Fall 2012

FIVE-YEAR BUDGET PROJECTION

UNIVERSITY: Clarion University of Pennsylvania

PROPOSED PROGRAM: Bachelor of Science Degree Program in Allied Health Leadership

| ESTIMATED REVENUES | Year 1 | | Year 2 | | Year 3 | | Year 4 | | Year 5 | |
|---|------------------|-----------|------------------|-----------|------------------|-----------|------------------|-----------|------------------|-----------|
| | Existing | New | Existing | New | Existing | New | Existing | New | Existing | New |
| Projected University E&G or Tuition * | | \$139,104 | \$132,048 | \$100,608 | \$215,424 | \$104,448 | \$298,848 | \$108,672 | \$388,080 | \$112,896 |
| External Grants and Contracts | | | | | | | | | | |
| Other | | | | | | | | | | |
| TOTAL REVENUE | \$139,104 | | \$232,656 | | \$319,872 | | \$407,520 | | \$500,976 | |
| ESTIMATED EXPENSES | Year 1 | | Year 2 | | Year 3 | | Year 4 | | Year 5 | |
| | Existing | New | Existing | New | Existing | New | Existing | New | Existing | New |
| Salaries and/or benefits (Faculty and Staff) ** | \$58,421 | | \$60,301 | \$30,150 | \$62,599 | \$31,299 | \$65,006 | \$65,006 | \$67,527 | \$67,527 |
| Learning resources *** | | \$500 | | \$500 | | \$500 | | \$500 | | \$500 |
| Instructional Equipment | | | | | | | | | | |
| Facilities and/or modifications | | | | | | | | | | |
| Other**** | | | | | | | \$158,400 | \$57,600 | \$198,000 | \$57,600 |
| TOTAL EXPENSES | \$58,921 | | \$90,951 | | \$94,398 | | \$346,512 | | \$391,154 | |
| DIFFERENCE (Rev.-Exp.) | \$80,183 | | \$141,705 | | \$225,474 | | \$61,008 | | \$109,822 | |
| ESTIMATED IMPACT OF NEW PROGRAM | | | | | | | | | | |
| | Year 1 | | Year 2 | | Year 3 | | Year 4 | | Year 5 | |
| FTE Enrollment ***** | 23 | | 37 | | 49 | | 60 | | 71 | |
| Projected Annual Credits Generated | 552 | | 888 | | 1,176 | | 1,440 | | 1,704 | |
| Tuition Generated | \$139,104 | | \$232,656 | | \$319,872 | | \$407,520 | | \$500,976 | |

Notes: *Evidence-based enrollment projections provided in Tables 4 and 5 in the body of the proposal. Applied 4% annual tuition increase

**Based on FY11 faculty avg. salary calculated at 50% of an Assoc. Professor, Step 11. Additional 25% added in Years 2 and 3; Additional 50% added in Years 4 and 5. Annual increases projected.

***Estimated library expenses for a journal required in the allied health capstone course

****Includes \$150 per student credit hour produced to cover University-wide infrastructure costs

*****Based on new and returning students (typical 8% yearly attrition for health care programs)

Academic and Student Affairs Committee Meeting

January 18, 2012

SUBJECT: Approval of a Master of Arts in Teaching Degree Program in Science Education at Shippensburg University of Pennsylvania (ACTION)

UNIVERSITIES AFFECTED: Shippensburg University of Pennsylvania

BACKGROUND: Shippensburg University of Pennsylvania (SU) proposes a Master of Arts in Teaching (MAT) in Science Education degree program. Maintaining a corps of highly-qualified science teachers is an important component of increasing economic competitiveness in the Science, Technology, Engineering, and Mathematics (STEM) disciplines. Shippensburg was awarded a grant from the Pennsylvania State System of Higher Education (PASSHE) to develop the MAT in order to address current and pending shortages of highly qualified science teachers in the Commonwealth and beyond. The eighteen month 30-credit program is designed for those who have earned a baccalaureate degree in a scientific discipline from an accredited institution. At present, no other science-specific, post-baccalaureate teacher certification programs exist within PASSHE or the region for highly qualified, second career teachers. The proposed cohort-based program consists of technology blended coursework as well as extensive field-based experiences and as such will allow Shippensburg to expand to other areas of the Commonwealth in collaboration with other PASSHE universities.

MOTION: That the Board of Governors approve the Master of Arts in Teaching Degree Program in Science Education at Shippensburg University of Pennsylvania.

Supporting Documents Included: Executive Summary of Degree Proposal and Five-Year Budget Projection

Other Supporting Documents Available: Degree Proposal

Reviewed by: Shippensburg University Curriculum Committee, April 26, 2011; Shippensburg University Forum, May 3, 2011; and Shippensburg University President's Approval, May 24, 2011

Prepared by: Kathleen M. Howley

Telephone: (717) 720-4200

**Executive Summary of Degree Proposal
Master of Arts in Teaching degree program in Science Education
Shippensburg University of Pennsylvania**

January 18, 2012

1. Appropriateness to the Mission

Shippensburg University of Pennsylvania (SU) proposes a new Master of Arts in Teaching (MAT) in Science Education degree program to bring more highly qualified, second-career science teachers into regional classrooms. The proposed degree program is consistent with several elements of SU's mission and vision and the Pennsylvania State System of Higher Education's (PASSHE) Strategic Initiatives to develop programs to meet the needs of the Commonwealth and region. Additional congruence with PASSHE's Strategic Initiatives is demonstrated by (a) implementing a blended approach to instructional delivery that utilizes existing resources, (b) addressing theoretical aspects of science teaching concurrently with practical classroom experience, (c) adhering to the accreditation requirements of the National Council for Accreditation of Teacher Education (NCATE), the National Science Teachers Association (NSTA), and the Pennsylvania Department of Education (PDE), and (d) expanding the proposed MAT beyond SU.

2. Need

There are currently shortages, as well as pending shortages, of highly-qualified science teachers in the Commonwealth and region. This shortage is well documented in literature by organizations such as the National Academy of Sciences and the Organization for Economic Cooperation and Development. The more powerful statistics include a predicted nationwide shortage of 200,000 secondary math and science teachers within the next decade and the United States' low ranking (48th) relative to other countries with respect to the quality of science and mathematics instruction. Dr. Richard Ingersoll at the Consortium for Policy Research in Education at the University of Pennsylvania corroborates these assertions and notes that science has traditionally had a smaller surplus of certified (but not necessarily highly qualified) teachers relative to other fields such as English. At present, no other science-specific, post-baccalaureate teacher certification program exists either within PASSHE or within the region. The emphasis on training science graduates and professionals to become teachers distinguishes the proposed MAT degree from other, non-discipline specific, post-baccalaureate programs within the System and region. SU has the faculty expertise, instructional facilities, and administrative support for the proposed Science Education MAT degree. The program, therefore, will be both effective in its mission to generate highly qualified science teachers and efficient in its use of university resources and public revenue.

3. **Academic Integrity**

Each applicant must hold at least a four-year degree in a scientific discipline from an accredited institution prior to admission to the MAT and achieve passing scores on both the general and subject-specific teacher certification exams (the Praxis series). The 18-month MAT curriculum will be organized into a sequence of seven courses to prepare cohorts of participants for classroom teaching, to meet the requirements for licensure via PDE, and to produce academic work at the level of a Master's degree. Both the entrance requirements and curriculum are consistent with the definition of a Master of Arts in Teaching (MAT) degree as described by PASSHE Board of Governors Policy 1990-06-A pertaining to Academic Degrees. Course topics will emphasize general as well as science-specific aspects of instruction: science pedagogy (e.g. inquiry, nature of science, laboratory instruction) and lesson planning, human development, safety and classroom management, assessment, accommodating students with special needs, research methods, and history and philosophy in science education. Each course will be delivered via a combination of on line and face-to-face instruction and videoconferencing technology will be used where appropriate. Additionally, a minimum of 10 hours of field experiences with local science teachers will be required in most courses to provide participants with a context through which to apply MAT concepts. A 12-week student teaching practicum will serve as the capstone experience.

4. **Coordination/Cooperation/Partnerships**

At the time of submission of this proposal, Intention to Collaborate letters were pending with other PASSHE institutions (i.e., Millersville and Lock Haven) to initially assist with marketing and recruitment efforts. Once the proposed MAT demonstrates effectiveness and receives NCATE accreditation, collaborations will expand so that colleagues at other PASSHE institutions can teach courses according to their areas of expertise and place MAT students with mentor science teachers in their region. As demand increases, the MAT will be expanded and instituted on other campuses as has been done with Shippensburg's Association to Advance Collegiate Schools of Business (AACSB)-accredited MBA that is offered at East Stroudsburg University. Such growth will naturally increase the proposed program's regional and statewide impact.

5. **Assessment**

Participant progress will be assessed using existing or adapted instruments from Shippensburg's science certification programs that currently have national recognition from both NCATE and NSTA. All participants will be required to maintain a comprehensive electronic portfolio and to prepare and present the results of an ongoing educational research project to a panel of university professors and local teachers at the conclusion of the program. In similar fashion to other programs, the MAT co-directors will submit student assessment data to NCATE and NSTA for review and feedback in order to improve the proposed

program. The ultimate goal is to achieve unconditional national recognition from NSTA as is the case with SU's undergraduate science education program. Since NCATE requires two complete sets of assessment data, two cohorts of MAT students will need to graduate before an accreditation report can be submitted. It is, therefore, reasonable to expect national recognition status for the proposed MAT program within four to five years.

6. Resource Sufficiency

SU was awarded a PASSHE grant (\$150,000 over three years) to develop the MAT in order to address current and pending shortages of highly qualified science teachers in the Commonwealth and region. At present, three faculty members at SU are prepared to institute the proposed MAT with an initial cohort of approximately 10 expected to start summer of 2012. Additional cohorts of at least 15 and 18 students will be admitted every other year; therefore, it is predicted that at least 43 students will have either completed or will be enrolled in the program within five years. Demand will be monitored and the program expanded with the addition of resources using our annual faculty staffing process. The aforementioned grant will be used to refine the program for accreditation and to solicit the collaboration of other PASSHE institutions to expand the program's scope.

The proposed MAT will be housed in the Office of Professional, Continuing and Distance Education and, as is common SU practice, the faculty responsibilities will not be part of the 12-hour course workload (i.e. the proposed program is off-load). New programs are often initiated in this manner until they demonstrate sustainability. Programs can thereafter be incorporated into SU's regular faculty via the faculty-staffing process. The PASSHE grant that was awarded to establish the proposed MAT will provide faculty stipends for the first three years. Thus, no additional university resources or funding will be required for implementation during those years. Finally, existing classrooms, facilities, and instructional technology (e.g. on line instruction, videoconferencing) at either SU or at the Dixon University Center in Harrisburg are more than sufficient to implement the proposed MAT.

7. Impact on Educational Opportunity

The two overarching and concurrent goals of the proposed MAT are to provide flexible, rigorous, and efficient post-baccalaureate teacher certification programs in science and to serve high-needs school districts in the Commonwealth and region that have science teacher shortages. By design, the MAT program is meant for second-career science teachers and recent science graduates, thus enhancing educational opportunities for both the program's participants and their future students. The proposed MAT will include options for secondary (7-12) science (physics, chemistry, biology, earth-space science, environmental science, and general science) as well as middle level (4-8) science. A needs assessment of local and regional school districts is being

conducted to determine their specific needs for science teachers. One district, Harrisburg City Schools, has already entered into a partnership agreement in order to benefit from the MAT program. Such partnerships will provide opportunities for MAT students to work with diverse student populations in urban areas while allowing the partner schools to benefit from having access to the highly trained science teachers.

Prepared by Dr. Barbara G. Lyman, Provost and Senior Vice President for Academic Affairs.

Implementation Date: Summer 2012

FIVE YEAR BUDGET PROJECTION

UNIVERSITY: Shippensburg University of Pennsylvania

PROPOSED PROGRAM: Master of Arts in Teaching in Science Education

| Estimated Revenues | Year 1 | | Year 2 | | Year 3 | | Year 4 | | Year 5 | |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|
| | Existing | New | Existing | New | Existing | New | Existing | New | Existing | New |
| Tuition | | \$62,400.00 | \$0.00 | \$64,272.00 | \$0.00 | \$99,300.00 | \$0.00 | \$102,279.00 | \$0.00 | \$126,417.00 |
| Fees | | \$4,284.00 | | \$4,284.00 | | \$4,284.00 | | \$4,284.00 | | \$4,284.00 |
| External Grants (PASSHE) | | \$17,350.00 | | \$10,350.00 | | \$15,350.00 | | | | |
| Other | | | | | | | | | | |
| TOTAL REVENUE | | \$84,034.00 | \$0.00 | \$78,906.00 | \$0.00 | \$118,934.00 | \$0.00 | \$106,563.00 | \$0.00 | \$130,701.00 |
| Estimated Expenses | Year 1 | | Year 2 | | Year 3 | | Year 4 | | Year 5 | |
| | Existing | New | Existing | New | Existing | New | Existing | New | Existing | New |
| Salaries and/or benefits | | \$55,599.17 | | \$55,599.17 | | \$55,599.17 | | \$55,599.17 | | \$55,599.17 |
| Learning Resources | | \$8,000.00 | | \$3,000.00 | | \$8,000.00 | | \$0.00 | | \$0.00 |
| Instructional Equipment | | \$2,000.00 | | \$0.00 | | \$0.00 | | \$0.00 | | \$0.00 |
| Facilities and/or Modifications | | \$1,350.00 | | \$1,350.00 | | \$1,350.00 | | \$0.00 | | \$0.00 |
| Advertising/Admissions | | \$1,000.00 | | \$1,000.00 | | \$1,000.00 | | | | \$5,000.00 |
| Administrative Support | | \$5,000.00 | | \$5,000.00 | | \$5,000.00 | | \$5,000.00 | | \$5,000.00 |
| TOTAL EXPENSES | | \$72,949.17 | | \$65,949.17 | | \$70,949.17 | | \$60,599.17 | | \$65,599.17 |
| Difference (Rev-Exp) | \$11,084.83 | | \$12,956.83 | | \$47,984.83 | | \$45,963.83 | | \$65,101.83 | |
| Estimated Impact of New Program | Year 1 | | Year 2 | | Year 3 | | Year 4 | | Year 5 | |
| | Existing | New | Existing | New | Existing | New | Existing | New | Existing | New |
| FTE Enrollment | 0 | 10 | 0 | 10 | 0 | 15 | 0 | 15 | 0 | 18 |
| Projected Annual Credits Generated | | 180 | | 180 | | 270 | | 270 | | 324 |
| Tuition Generated | | \$62,400.00 | \$0.00 | \$64,272.00 | \$0.00 | \$99,300.00 | \$0.00 | \$102,279.00 | \$0.00 | \$126,417.00 |

Academic and Student Affairs Committee Meeting

January 18, 2012

SUBJECT: Revisions to Board of Governors' Policy 1985-01-A: *Requirements for Initiation or Change of Credit-Based Academic Programs* and Board of Governors' Policy 1990-06-A: *Academic* (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: As part of the ongoing review of Board of Governors' policies that relate to Academic functions, changes to the following two academic policies are recommended as summarized below:

Board of Governors' Policy 1985-01-A: Requirements for Initiation or Change of Credit-Based Academic Programs. To ensure alignment with Middle States Commission on Higher Education (MSCHE), Integrated Postsecondary Education Data Systems (IPEDS), as well as best practices, the attached proposed changes include clarification on Definitions and Procedures as well as a new award type called Letter of Completion.

Board of Governors' Policy 1990-06-A: Academic Degrees. Currently, the major program within a Bachelor of Arts (B.A.) degree is not to exceed 40 semester credit hours, including required cognate courses, unless approved by the Chancellor.

With the majority of courses in a B.A. degree program being 3 semester credit hours, the current reality is that the major program is limited to 39 semester credit hours which is less than one-third of the Bachelor of Arts degree program.

It is recommended that the above section be amended to read, "not to exceed 42 semester credit hours, including required cognate courses, unless approved by the Chancellor" (see attached proposed change to policy).

MOTION: That the Board of Governors approve the revision to the Board of Governors' Policy 1985-01-A: *Requirements for Initiation or Change of Credit-Based Academic Programs* and Board of Governors' Policy 1990-06-A: *Academic Degrees*.

Supporting Documents Included: Board of Governors Policies 1985-01-A: *Requirements for Initiation or Change of Credit-Based Academic Programs* and 1990-06-A: *Academic Degrees*.

Other Supporting Documents Available: NN/Ae

Reviewed by: PASSHE Chief Academic Officers, December 1, 2011; PASSHE Council of Presidents, December 14, 2011.

Prepared by: Kathleen M. Howley

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PA State System of Higher Education Board of Governors

Effective: March 19, 1985

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POLICY 1985-01-A: REQUIREMENTS FOR INITIATION OR CHANGE OF CREDIT-BASED ACADEMIC PROGRAMS

See Also:

Adopted: March 19, 1985

Amended: ~~October 9, 2003~~

January 19, 2012

A. Purpose

To provide the chancellor and the Board of Governors, and the president and council of trustees of each University, the general criteria and policies governing Board of Governors' requirements prior to initiation or change of a credit-based academic program within a University or consortium of Universities.

B. Definitions

~~**Certificate**—A credit-based credential designated on the academic record that indicates completion of a prescribed, coherent undergraduate or graduate curriculum of at least 12 credits.~~

Certificate: A formal credit-based credential designated on the academic record and awarded by an educational institution to indicate completion of a program of study that does not culminate in a degree. Certificates are not the same as certifications or licenses, which are typically awarded by third party, standard-setting bodies (not academic institutions), based on an assessment process that recognizes competencies in a particular occupational specialty as measured against a set of standards.

Certificate (sub-baccalaureate): Requires completion of an organized program of study at the postsecondary level (below the baccalaureate degree) in at least one but less than two full-time equivalent academic years, or designed for completion in at least 30 but less than 60 credit hours, or in at least 900 but less than 1,800 contact hours.

Post-baccalaureate (graduate) certificate: An award that requires completion of an organized program of study equivalent to a **minimum of 18 semester credit hours** beyond the bachelor's degree, but does not meet the requirements of a master's degree.

Post-master's (graduate) certificate: An award that requires completion of an organized program of study equivalent to a **minimum of 24 semester credit hours** beyond the master's degree, but does not meet the requirements of academic degrees at the doctoral level.

Letter of Completion: A statement of recognition designated on the academic record to indicate completion of an **organized set of courses or short program of study**. Not culminating in a certificate.

Sub-baccalaureate Letter of Completion: an award that requires completion of a minimum of 12 credits but less than 30 credits at the postsecondary level (below the sub baccalaureate certificate) in less than one academic year (2 semesters or 3 quarters) or in at least 360 contact hours but less than 900 contact hours.

Post-Baccalaureate Letter of Completion: an award that requires completion of a minimum of nine graduate credits beyond the bachelor's.

Post-Masters Letter of Completion: an award that requires completion of a minimum of nine graduate credits beyond the masters.

Academic Program: An instructional program leading toward an associate's, bachelor's, master's, or doctoral Degree or resulting in credits that can be applied to one of these degrees.

Degree Designation: Specific degree type, including but not limited to bachelor of arts, bachelor of science, master of arts, master of science, master of education, and doctor of education.

~~**Major Academic Program Academic Major:** A sequence of courses, activities, and/or experiences constituting a major field of study, culminating in a credit-based degree or certification.~~ **Academic Major:** Main field of study in an academic program. For baccalaureate degrees, the academic major (comprised of core and cognate courses) and general education are the two principal components of the degree. For master's degrees, the academic major (common core), concentration or specialization, and capstone experience(s) are the principal components of the degree. Academic major can be a sequence of courses, activities, and/or experiences constituting a major field of study, culminating in a credit-based degree or certificate.

~~**Academic Minor when a Major Exists:** A coherent program of study that consists of most of the core major courses, but fewer electives, and includes at least 18 credits.~~ **Academic Minor:** An organized program of study that comprises the fundamental requirements of the academic major (core and cognate courses) equivalent to a minimum of 18 semester credit hours. As a secondary field of study the

academic minor when a major exists comprises no more than six credits from the major field of study.

~~**Academic Minor when no Major Exists:** A coherent program of study, consisting of at least 18 credits, in an area in which the university does not offer a major. An organized program of study that comprises the fundamental knowledge and skills of a field of study (core and cognate courses) in which the university does not offer an academic major, equivalent to a minimum of 18 semester credit hours.~~

~~**Other Academic Program**—A sequence of courses, activities, experiences constituting a track, concentration, focus, option, specialization, emphasis, or equivalent not leading to a degree or certification.~~

Concentration, Track, Specialization, or Emphasis: A program of study in a focused area within an academic program (i.e. degree program, not a minor), consisting of a minimum of 12 semester credit hours for baccalaureate degrees and a minimum of nine semester credit hours for master's degrees. Requirements for the concentration, track, specialization, or emphasis are included within the program of study for the academic major.

~~**Program Change:** A change of program title, degree designation, or certification or an addition or deletion of degree designation, track, emphasis, or minor where a major exists. A change in the academic program (i.e. degree designation, academic major, academic minor, concentration, track, specialization, emphasis); academic minor (i.e. when no major exists); or certificate (i.e. name of program of study).~~

~~**Program Title**—Name of a program, such as biology, mathematics, dance, biotechnology, and school psychology.~~

C. Procedure

The Office of the Chancellor shall, in consultation with State System Universities, establish and review criteria for the initiation or change of credit-based academic programs.

1. Academic program proposals shall be subject to action by, or notice to, the Board of Governors or chancellor, as follows:
 - a. Board of Governors' Action

New ~~academic major~~ program (i.e., bachelor's, master's, doctoral degree) —Full proposal covering criteria in Section B of the administrative procedure required.
 - b. Office of the Chancellor Action

New academic minor ~~program~~—when no academic major (bachelor's degree) exists—Full proposal covering criteria in Section B of the administrative procedure required.

New letter of completion and sub-baccalaureate certificate ~~program~~ when no academic major ~~or minor~~ exists—Full proposal covering criteria in Section C of the administrative procedure required.

New graduate (post-baccalaureate) certificate when no master's degree program exists—Full proposal covering criteria in Section C of the administrative procedure required.

New post-master's certificate when no doctoral program exists—Full proposal covering criteria outlined in Section C of the administrative procedure required.

New degree designation—Letter containing rationale and supporting materials required.

c. Office of the Chancellor Notification

New concentration, track, specialization, or emphasis; new academic minor when academic major (bachelor's degree) exists; new sub-baccalaureate certificate when academic (bachelor's) major ~~or minor~~ exists; new graduate (post-baccalaureate) certificate when master's degree exists; new post-master's certificate when doctoral program exists-- ,~~track, concentration, focus, option, specialization, emphasis, or equivalent~~—Letter required.

Other program changes in the academic~~-data file~~ program inventory; including changes in the academic program (i.e., degree designation; academic major; academic minor; concentration, track, specialization, emphasis, CIP code) or~~-name or title changes, termination, or moratorium~~ program status (i.e., moratorium, reorganization, discontinued)—Letter required.

2. No academic program (bachelor's, master's, doctoral degree) minor, or certificate ~~or degree~~ requiring approval shall be advertised or offered until the University president receives written notice from the chancellor verifying approval by the Board of Governors or chancellor.

No program change shall be announced or implemented without the appropriate action.

3. All new academic programs (bachelor's, master's, doctoral degrees) submitted for approval after January 18, 2012, must comply with the above definitions, and all previously approved programs must be in

compliance by conclusion of the next program review cycle after July 1, 2012, defined as program review reports to be conducted during the 2012-2013 academic year. All programs must be in compliance August 1, 2015.



PA State System of Higher Education Board of Governors

Effective: October 18, 1990

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POLICY 1990-06-A: ACADEMIC DEGREES

Adopted: October 18, 1990

Amended: July 18, 1991, April 11, 2002, July 22, 2010, January 19, 2012

A. Purpose

To establish broad educational policy for the respective councils of trustees, administrators, and faculty of the universities of the State System of Higher Education, governing criteria and definitions for earned academic degrees. (The policy does not address professional certification standards or definitions, except as they may coincide with degrees.)

B. Degree Designations

An academic degree is an earned degree. Degree designations used within the State System of Higher Education may include the following:

1. **Associate Degrees:** Associate degrees indicate that the holder has developed proficiencies sufficient to prepare for advanced¹ collegiate work or to enter directly into a specific occupation. Associate degrees are awarded only for completion of a coherent program of study designed for a specific purpose. They reflect satisfactory achievement of a minimum of 60 semester hours of credit, in two parts: a general education component, and an area of concentration or major component. General education requirements should be consistent with the Statewide Transfer Credit Framework.
 - a. **Associate in Arts (A.A.):** An Associate in Arts degree program is designed primarily for transfer into baccalaureate degree programs in the arts, humanities, social or behavioral science fields, or in professional fields based upon these disciplines. The general education component of Associate in Arts degrees comprises at least 30 semester credit hours.

- b. **Associate in Science (A.S.):** An Associate in Science degree program is designed primarily for transfer into baccalaureate degree programs in one of the mathematical, biological, or physical sciences, or into one of the professional fields with these disciplines as its base. The general education component for Associate in Science degrees comprises no less than 24 semester credit hours.
 - c. **Associate in Applied Science (A.A.S.):** An Associate in Applied Science Degree program is primarily designed to prepare students for immediate employment or career entry. The general education component for Associate in Applied Science degrees includes no less than 21 semester credit hours.
 - d. **Other Associate Degrees:** Specialized associate degrees may be authorized within certain professions; some are career entry, and others lead to transfer. Examples include the Associate in Science of Nursing (A.S.N.), and Associate in Engineering Technology (A.E.T.). The general education component for these degrees should include no less than 21 semester credit hours.
2. **Baccalaureate Degrees:** Baccalaureate degrees require 120 semester credit hours unless (1) otherwise required by statute, regulation, or accreditation, and (2) approval by the Board of Governors, upon recommendation of the chancellor. Baccalaureate degrees consist of two principal components, general education and study in depth in a major, which taken together, are designed to prepare the student for a productive career, involved citizenship, and continuous growth:
- General education consists of a broad program of study in the liberal arts and sciences, such that at least 40 semester credits hours are focused on competencies consistent with the liberal education learning outcomes as defined in Policy 1993-01: *General Education at State System of Higher Education Universities*. These competencies are typically met through study in the areas of humanities, fine arts, communication, social and behavioral sciences, mathematics, and the natural/physical sciences. In addition, general education requirements should be consistent with distribution requirements of the statewide Transfer Credit Framework. Transfer credits up to 30 semester hours will be applied to the general education requirement assuming the courses meet the standards of the Transfer Credit Framework and are designated as equivalent through identification of comparable competencies attained by students. Certain majors have specific requirements prescribed by external agencies that may pertain to general education requirements.
 - The program for the major consists of at least 30 semester credits hours and provides depth of knowledge in an academic disciplinary or interdisciplinary program.

- The remainder of the curriculum may consist of coursework related to the major, advanced coursework (see endnote) in the liberal arts and sciences, or electives. At least 42 semester credits hours must consist of advanced coursework.

Note: Definitions of advanced coursework are institutional, and may or may not be inherent in course numbers. The object is to ensure that a significant portion of a student's studies prepare the student to develop advanced competencies requiring depth of knowledge of the discipline. During program review, the program unit is expected to review its curriculum against this general standard. Programs that have articulation agreements with community colleges or other entities must demonstrate that articulated courses approved to meet this standard address the acquisition of advanced competencies with adequate depth and academic rigor; and if so, these courses can be applied toward this requirement.

- a. **Bachelor of Arts (B.A.):** The Bachelor of Arts degree is the common degree in the arts and humanities, typically offered through the liberal arts and sciences. Bachelor of Arts degrees emphasize breadth and depth of study, and encourage aesthetic, ethical, and intercultural inquiry. The major program should not exceed ~~40~~ 42 semester credit hours, including required cognate courses, unless approved by the chancellor. Cognate courses are those courses in related disciplines required for the major. For example, a major in sociology might require a cognate course in social psychology taught through Psychology.
- b. **Bachelor of Science (B.S.):** The Bachelor of Science degree is the common degree in mathematics, the natural sciences, and many of the behavioral and social sciences. The Bachelor of Science degree generally represents a more structured major program, and more direct orientation toward professional preparation than the Bachelor of Arts degree. The courses required by the major, including required cognate courses in related disciplines, must comprise at least 40 semester credit hours but no more than 60 semester credit hours, unless approved by the chancellor. Cognate courses are those courses in related disciplines required for the major. For example, a major in biology might require a cognate course in biochemistry taught through Chemistry.
- c. **Professional Baccalaureate Degrees:** Professional degrees may be approved and granted in certain professional fields, and may reflect standards of professional societies or accrediting agencies as well as requirements of the university. The general education component may be specifically adapted to the profession, but must be consistent with the competencies appropriate for all students at the institution.

Only a limited number of professional baccalaureate degrees will be recognized. These include Bachelor of Fine Arts (B.F.A.), Bachelor of Music (B.Mus. or B.M.), Bachelor of Science in Nursing (B.S.N.), Bachelor of Social Work (B.S.W.), Bachelor of Science in Business Administration (B.S.B.A) and the Bachelor of Science in Education (B.S.Ed.). No other degree designations may be used unless approved by the chancellor.

3. **Master's Degrees:** Master's degrees represent advanced study beyond the baccalaureate degree and signify mastery in a discipline or professional field. A master's program requires a minimum of 30 semester credit hours and usually includes three basic components: (a) a common core of courses related to the discipline or field of study; (b) a concentration or specialization in a focused area of the discipline; and (c) cognate courses which broaden perspective or mastery, or provide special skills such as statistics or foreign language. Master's degree programs will also be required to demonstrate that all students have participated in a culminating experience. This requirement may be met through a thesis, research project, or comprehensive examination, or in some cases this requirement can be met through integrative experiences, such as practica, internships, and other field work that synthesize theory and practice. At least 50 percent of coursework (excluding thesis, research or internship hours) to complete a master's degree must be identified as primarily directed at graduate students with the majority of students in the course obtaining graduate credits.

Master's degrees include:

Master of Arts (M.A.)
Master of Liberal Arts (M.L.A.)
Master of Science (M.S.)
Master of Business Administration (M.B.A.)
Master of Fine Arts (M.F.A.)
Master of Physical Therapy (M.P.T.)
Master of Public Administration (M.P.A.)
Master of Science in Library Science (M.S.L.S.)
Master of Science in Nursing (M.S.N.)
Master of Social Work (M.S.W.)
Professional Science Masters (P.S.M.)

Master of Education (M.Ed.), or Master of Science in Education (M.S.Ed.)

The Master of Education (M.Ed.) degree is intended for the person who has been working within the preK-12 environment and desires to acquire advanced or updated knowledge within the discipline, human development, assessment and/or pedagogy.

Master of Arts in Teaching (M.A.T.)

The Master of Arts in Teaching (M.A.T.) degree is intended for the person with expertise in a discipline (e.g., chemistry or history or music) who needs to develop the skills and strategies to convey an understanding of the discipline to children and adolescents within the preK-12 context.

4. **Educational Specialist (Ed.S.):** The Educational Specialist degree is intended for the person who requires advanced knowledge of research and practice in selected specialty fields in education and such programs are grounded in extensive field work to develop the appropriate level of clinical practice. The educational specialist degree provides focused study beyond the master's level and is designed to develop skills in special areas of professional practice. For certain areas it may be considered a terminal professional practice degree and not all Ed.S. coursework is compatible with doctoral study. As this degree typically represents advanced study, all of the coursework should be designed for graduate students with backgrounds in related areas of study.

5. **Doctoral Degrees:** The doctorate is the highest academic degree awarded in American higher education and is of two general types: the Doctor of Philosophy (Ph.D.) and the Professional Doctorate. Though the primary distinction is that the Ph.D. is a research degree and professional degrees are applied degrees, most doctoral programs include both research and applied studies. The doctoral program usually follows completion of a master's degree, except in some fields where admission after the baccalaureate degree is permitted or encouraged. The common components of a doctoral program include a core of increasingly advanced subject-area studies, culminating in seminars involving research. Research skills necessary for such studies, e.g., foreign languages, statistics, or computing, and/or internships or practica in applied fields should be required. Culminating experiences such as comprehensive examinations and a dissertation are required.

The Doctor of Philosophy is offered only through Indiana University of Pennsylvania (IUP); jointly in cooperation with IUP; or jointly with another institution approved to offer Ph.D. degrees assuming approval by the chancellor. The number of hours beyond the baccalaureate degree (including dissertation hours) required for the Doctor of Philosophy degree must meet the typical expectations of the discipline unless approved by the chancellor.

C. Implementation

All new degree programs submitted for approval after August 10, 2010, must comply with the above definitions, and all previously approved programs must be in such compliance by conclusion of the next program review cycle after July 1, 2012, with all programs in compliance by August 1, 2015. The chancellor has the responsibility to take action to ensure compliance with this document.

¹ Advanced coursework in this context usually refers to courses with advanced depth of content knowledge in the field and carry the expectation of more complex competencies identified in the expected student learning outcomes. These courses often have prerequisites and are usually beyond the "Introduction to..." level. Most courses with at least two prerequisites will be "advanced." The complexity of competencies is often reflected in the higher levels of understanding, analysis, synthesis and application of content to novel situations (see various models rooted in concepts similar to Bloom's taxonomy). Thus, whereas an introductory or foundational knowledge course might use learning outcomes framed as "demonstrate familiarity with" or "demonstrate knowledge of"; advanced level courses might use: "demonstrate ability to critically analyze and synthesize" or "ability to apply content knowledge to novel situations." Some disciplines use the model of three levels of "introductory," "intermediate" and "advanced." In this case, courses labeled as "intermediate" as a second of a two course sequence providing basic or foundational content knowledge in a discipline would likely not meet the definition of "advanced" as used here but that is to be determined on a course by course basis.



External Relations Committee Meeting

Boardroom, First Floor
Administration Building
Dixon University Center
2986 North Second Street
Harrisburg, PA 17110-1201

Wednesday, January 18, 2012

Agenda

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Committee Members: Jonathan B. Mack (*Chair*), Marie Conley Lammando, Bonnie L. Keener, Joseph F. McGinn, Robert S. Taylor and Guido M. Pichini (*ex officio*).

For further information, contact Peter H. Garland at (717) 720-4010.

External Relations Committee Meeting

January 18, 2012

SUBJECT: Advocacy Update (INFORMATION)

UNIVERSITIES AFFECTED: All

BACKGROUND: A report on advocacy will be provided at the Board meeting.

Supporting Documents Included: N/A

Other Supporting Documents Available: N/A

Reviewed by: N/A

Prepared by: Karen S. Ball

Telephone: (717) 720-4053

External Relations Committee Meeting

January 18, 2012

SUBJECT: Legislative Update (INFORMATION)

UNIVERSITIES AFFECTED: All

BACKGROUND: A report on recent legislative activity will be provided at the Board meeting.

Supporting Documents Included: PASSHE Legislative Update

Other Supporting Documents Available: N/A

Reviewed by: N/A

Prepared by: Karen S. Ball

Telephone: (717) 720-4053



**PASSHE Legislative Update
January 18, 2012**

| Bill No. | Sponsor | Bill Summary | Bill Status |
|--|-------------------------|--|---|
| Higher Education Modernization Act (HEMA) | | | |
| HB 1343 | Baker, M.; Hanna, M. | Act authorizing State-owned universities and the employees thereof to enter into certain agreements with affiliated entities; providing for doctoral degrees; and repealing the State College Faculty Compensation Law and other related laws. | Passed House 195-0 on 11/14/11. In Senate Education Committee. |
| SB 1008 | White, D. | Act modernizing the State System of Higher Education | In Senate Education Committee. |
| SB 1133 | White, D. | Amends the Public School Code, in State System of Higher Education, further providing for purposes and general powers. | Third consideration in Senate. |
| SB 1211 | White, M. | Amends the Public School Code, in State System of Higher Education, further providing for project contracts. | In Senate Appropriations Committee. |
| SB 1221 | Dinniman | Amends Public School Code, in State System of Higher Education, providing for relations with private affiliated entities & for college year & classifications, leaves of absence & faculty salaries in sickness or death & making repeals. | In Senate Appropriations Committee. |
| SB 1239 | Boscola | Amends the Public School Code, in the State System of Higher Education, further providing for project contracts. | In Senate Appropriations Committee. |
| SB 1242 | Smucker | Amends the Public School Code, in the State System of Higher Education, further providing for project contracts. | In Senate Appropriations Committee. |
| SB 1308 | Tomlinson | Act authorizing the State System of Higher Education & its employees to enter into certain economic development agreements; providing for approval & notice, for reports & for limitations; & making an inconsistent repeal. | Third consideration in Senate. |
| PHEAA | | | |
| HB 70 | Harkins | Act establishing a nursing scholarship program; and providing for the powers and duties of the Pennsylvania Higher Education Assistance Agency. | In House Education Committee. |
| HB 306 | Hornaman | Act establishing the Physician Retention Loan Forgiveness Program in the Pennsylvania Higher Education Assistance Agency; and providing for powers and duties of PHEAA. | In House Education Committee. |
| HB 619 | Burns | Act establishing a recruitment scholarship program for volunteer fire companies, ambulance services & volunteer rescue squads; providing for duties of the PA Higher Education Assistance Agency; and making an appropriation. | In House Veterans Affairs and Emergency Preparedness Committee. |
| HB 890 | Payton, Jr. | Act establishing a Statewide academic scholarship program to be known as the Reliable Educational Assistance for College Hopefuls Scholarship for Community College; for powers & duties of PA Higher Education Assistance Agency. | In House Education Committee. |
| HB 891 | Payton, Jr. | Act establishing a Statewide academic scholarship program to be known as the Reliable Educational Assistance for College Hopefuls Scholarship for STEM Majors; providing for powers & duties of PHEAA. | In House Education Committee. |

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| HB 1075 | Boyle, B. | Act establishing a Statewide academic scholarship program to be known as the Reliable Educational Assistance for College Hopefuls Scholarship; and providing for the powers and duties of the Pennsylvania Higher Education Assistance Agency. | In House Education Committee. |
| HB 1371 | Watson | Act establishing Volunteer First Responder Loan Forgiveness Program; & providing for powers & duties of PHEAA, State Fire Commissioner & Director of the Emergency Medical Services Office in the Dept. of Health. | In House Education Committee. |
| HB1377 | Wagner | The Community College Educational Assistance Act establishes the Community College Educational Assistance Program, which shall provide that PHEAA disregard one-third of an eligible student's expected family contribution (EFC) and Federal Pell Grant award amount when calculating the eligible student's Pennsylvania State grant. | In House Education Committee. |
| SB 22 | Greenleaf | Act establishing the Child Welfare Workers Loan Forgiveness Program for Commonwealth residents who graduate from institutions of higher education and who apply their degrees to careers in child welfare work. | In Senate Education Committee. |
| SB 32 | Greenleaf | Amends Police Officer, Firefighter, Correction Employee & Nat'l Guard Member Child Beneficiary Education Act, extending benefits, providing definitions, for Postsecondary Education Program, reports & retroactivity. | In Senate Education Committee. |
| SB 34 | Greenleaf | Act establishing the Volunteer Emergency Service Personnel Educational Assistance and Loan Forgiveness Program. | In Senate Education Committee. |
| SB 556 | Browne | Amends the Higher Education Equal Opportunity Act further providing for the Higher Education Equal Opportunity Program by adding that programs for which grants may be awarded include tutorial services, tuition and textbook assistance, child care assistance, additional staff for programs or discretionary funds to supplement financial aid on a case-by-case basis. | In Senate Education Committee. |
| SB 727 | Boscola | The Academic Excellence Scholarship Program Act provides definitions and establishes the Academic Excellence Scholarship Program within PHEAA to reward academic excellence and provide an incentive for Pennsylvania students to pursue higher education and professional opportunities within this Commonwealth. Scholarships may be given to any eligible resident upon verification they are enrolled full-time in an approved education institution. Eligibility shall be based solely on merit and the criteria for eligibility are provided. One requirement is to enter into an agreement to enter into employment with the commonwealth upon one year of graduation and satisfaction of all degree requirements. If a student fails to meet one of these, he must repay the scholarship money. Application process and procedure is provided for and the scholarship may be transferred only to another approved educational institution. The amount of the grant is no more than \$5,000 per academic year to a full-time student. The grant shall be allowed only for four years, unless certain events occur, such as drop in GPA. | In Senate Education Committee. |
| Right-to-Know | | | |
| HB 364 | Swanger | Amends the Right-to-Know Law further excluding from public records the home address of an agency employee. | In House State Government Committee. |
| HB 850 | Hickernell | Amends The Right-to-Know Law, in access, to deny access to Social Security numbers in right-to-know request fulfillment. | In House State Government Committee. |

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| HB 2051 | DePasquale | Amends the Right-to-Know Law to include a state-related institution in the definition of "Commonwealth agency." | In House State Government Committee. |
| HB 2066 | Benninghoff | Amends the Right-to-Know Law stipulating that state-related institutions are included in the term "state-affiliated entity." | In House State Government Committee. |
| HB 2076 | Josephs | Amends the Right-to-Know Law to include State-related institutions in the definition of "state-affiliated entity." | In House State Government Committee. |
| SB 123 | Williams, A. | Amends the Right-to-Know Law further providing reporting requirements for state-related institutions and higher education institutions by requiring an itemization of revenues and expenses of athletic programs. | In Senate State Government Committee. |
| SB 247 | Pileggi | Amends the Right-to-Know Law further providing for definitions; excluding from the definition of state-affiliated entity any court or other officer or agency of the unified judicial system, the General Assembly and its officers and agencies, any state-related institution, political subdivision or any local, regional, or metropolitan transportation authority; adding Pennsylvania Interscholastic Athletic Association to the scope of the act; and further providing for access adding that access may be provided at a reasonable time if the request is voluminous or from a remote location, for written requests, for transcripts by stating nothing requires an agency to transcribe a proceeding solely for the purpose of responding to a request, excepting bank and credit card numbers, for agency response in general by adding certain timelines for response, for extension of time, for filing of appeal, for appeals officers, stating an agency may require prepayment if the fees are expected to exceed \$50, providing the Office of Open Records shall have standing and may participate as a party in an appeal of a decision of the office. | In Senate State Government Committee. |
| SB 551 | Erickson | Amends Right-to-Know Law allowing agencies to assess search and review fees for records requested for a commercial purpose. Search and review fees shall be assessed at a per quarter-hour rate determined by each agency to cover the costs associated with time expended by the agency employees in filling a request for records to be used for commercial purposes. Also requires requestors to disclose on their written request whether the record will be used for commercial purpose. This shall not apply to the use of a public record by an educational or noncommercial scientific institution for scholarly or scientific research or by the news media for dissemination in a newspaper, periodical, radio, or television broadcast. | In Senate State Government Committee. |
| Separations Act | | | |
| HB 36 | Everett | Amends the Public School Code, in grounds and buildings, in charter schools, in education empowerment, in Thaddeus Stevens College of Technology, and in State System of Higher Education, to allow for a single contract or several contracts to be used for capital projects. Also the bill notes the Separations Act shall not apply to these sections. | In House Education Committee. |
| HB 283 | Keller, M. | Amends the Separations Act by increasing the minimum bid requirement from \$4,000 to \$90,000. The legislation provides for the annual adjustment by the Department of Labor and Industry of these amounts based on the Consumer Price Index for urban consumer in Pennsylvania, New Jersey, Maryland, and Delaware | On Tabled House Calendar. |
| SB 294 | Folmer | Amends the Separations Act adjusting the minimum threshold for requiring a competitive bidding process from a \$4,000 to a \$25,000 contract, subject to adjustment based on period recalculations | In Senate Labor and Industry Committee. |

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| | | in the CPI-U. The bill provides penalties for violations. | |
| SB 801 | Waugh | Amends the Public School Code, in grounds and buildings, allowing work to be done at a cost of more than \$10,000 to be done under a single contract; providing for applicability of the Separations Act in charter schools, in education empowerment, in Thaddeus Stevens College of Technology, and in State System of Higher Education, further providing for project contracts; and making a related repeal. | Failed vote in Senate Education Committee. |
| Procurement | | | |
| HB 129 | Davidson | Amends Title 62 (Procurement) adding language amending the definitions of Commonwealth agency, contracting officer, executive agency, independent agency, purchasing agency, State-affiliated agency, and supplies and adds definitions of competitive procurement, contracting agency, judicial agency, legislative agency, lobbying, lobbying firm and lobbyist. Adds a new section pertaining to public access to procurement information. Also amends the sections pertaining to procurement responsibility; competitive electronic bidding; competitive sealed proposals; emergency procurement; and competitive procurement on a multiple award basis. | In House State Government Committee. |
| HB 193 | Harper | Act requiring the design, construction & renovation of State-owned or State-leased buildings to comply with specified energy & environmental building standards; and providing for the powers & duties of the Department of General Services. | On Tabled House Calendar. |
| HB 1021 | Krieger | Amends Title 62 (Procurement) further providing for sole source procurement by adding stipulations that shall apply in the case of legal services procured when the services are to be provided by attorneys or litigation consultants selected by the Office of General Counsel, the Office of Attorney General, the Department of the Auditor General or the Treasury Department in which the attorneys or litigation consultants will be compensated on a contingent fee basis. The bill also requires agencies to solicit proposals through an RFP when the need for certain services stipulated in the bill arises and the disclosure of the method of compensation. The bill outlines the selection procedures with respect to reporting requirements when contingent fee compensation is utilized. | Passed House 197-0. In Senate State Government Committee. |
| HB2140 | Wheatley | Amends Title 62 (Procurement) further providing for definitions; providing for authority to waive employee limit, for alternative certification, for contractor performance & general conditions, etc. & for payment obligations. | In House Local Government Committee. |
| SB 153 | Folmer | Act providing for reduction of energy use in State buildings & motor vehicle fleet; establishing Interagency Task Force on Energy & providing for powers & duties; & providing for recognition of efforts to improve energy efficiency & reporting. | In Senate State Government Committee. |
| SB 293 | Brubaker | Amends the State Public School Building Authority Act increasing the minimum dollar amount of purchases that must be made via competitive bid, subject to certain conditions, from a threshold of \$4,000 to \$18,500. The bill provides for annual adjustment based on the CPI-U. | Passed Senate 48-0. In House Appropriations Committee. |

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| SB 623 | Tomlinson | Amends Title 62 (Procurement) to add an additional chapter providing for contracting with veteran-owned small businesses. Definitions are provided and the Department of General Services is given the power to promulgate rules and regulations in the area. Each purchasing agency shall set a participation-rate for veteran-owned small businesses at five percent. Duties are given to the department and provisions relating to progress payments are provided for. Reports on the matter are due to the House and Senate Veterans Affairs and Emergency Preparedness Committees. Compliance with federal law, where the two conflict, is provided for. | In Senate Appropriations Committee. |
| SB 1170 | Browne | Amends Title 62 (Procurement) further providing for sole source procurement and legal services contract. Further defines "Commonwealth attorney." Provides for competitive selection procedures for certain services including method of compensation, evaluation, fee for services compensation, contingent fee compensation, contracts, and provisions of legal services contracts. | In Senate State Government Committee. |
| Prevailing Wage | | | |
| HB 1277 | Perry | Repeals the Pennsylvania Prevailing Wage Act. | In House Labor and Industry Committee. |
| HB 1329 | Keller, F. | Amends the Pennsylvania Prevailing Wage Act to increase the amount in the contract needed to constitute "public work" to \$185,000 to be adjusted according to the consumer price index as published by the US Department of Labor. | On House Calendar. |
| HB 1540 | Perry | Amends the Pennsylvania Prevailing Wage Act raising the applicability threshold for "public work" to an estimated cost of \$500,000 on March 1 each year adjusted for changes in the Consumer Price Index. | In House Labor and Industry Committee. |
| HB 1541 | Perry | Amends the Pennsylvania Prevailing Wage Act amending the definition of "public work" to require at least 51 percent of the monies be public funds. | On Tabled House Calendar. |
| SB 792 | Brubaker | Amends the Pennsylvania Prevailing Wage Act stipulating it will have no application during the time period after June 30, 2011, and before July 1, 2015. | In Senate Labor and Industry Committee. |
| SB 821 | Smucker | Amends the Pennsylvania Prevailing Wage Act further defining "public work" by increasing the projected cost threshold from \$25,000 to \$200,000. | In Senate Labor and Industry Committee. |
| Mineral Rights/Marcellus Shale | | | |
| HB 1238 | Baker, M. | Amends "Act requiring rents & royalties from oil & gas leases of PA land to be placed in a special fund to be used for conservation, recreations, dams & flood control" to allow natural gas money and royalties from natural gas wells on land owned by the State System of Higher Education to be appropriated to the State System of Higher Education. 60 percent would go to the school owning the well and 40 percent to the rest of the State System. Duties are placed upon the Department of Conservation and Natural Resources. | In House Appropriations Committee. |
| HB 1800 | George | Amends Oil & Gas Act further providing for definitions & well permits; providing for adoption of wells; further providing for well location restrictions; providing for protection of water & for Marcellus Shale Job Creation Tax Credit. | In House Environmental Resources and Energy Committee. |
| HB 1863 | Murt | Amends Title 72 (Taxation & Fiscal Affairs) providing for a natural gas severance tax; establishing accounts and funds; and providing for use of revenue. | In House Finance Committee. |

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| HB 1950 | Ellis | Amends Title 58 (Oil and Gas) consolidating the Oil and Gas Act with modifications relating to definitions, well permits, well location restrictions, protection of water supplies, well reporting requirements, bonding, enforcement orders, penalties, civil penalties and local ordinances; providing for containment, for transportation regulations, for emergency response information, for notification to public drinking water systems, for corrosion control requirements, for gathering lines and for model ordinance; providing for local ordinances relating to oil and gas operations; and making a related repeal. | Passed 111-86 in House. On Senate Calendar. |
| SB 91 | Greenleaf | Amends the Oil and Gas Act, providing for gas mineral rights lease agreement disclosure and indemnification. | In Senate Environmental Resources and Energy Committee. |
| SB 367 | White, D. | The Indigenous Mineral Resources Development Act grants the Department of General Services the authority to make or execute contracts or leases for the mining or removal of coal, oil, natural gas, coal bed methane, limestone and mineral resources located beneath state lands and to convey Commonwealth rights to mineral resources. Under certain conditions, the department is allowed to grant rights of way to those seeking to extract minerals. Additionally the department is authorized to execute contracts or leases for the mining or removal of those mineral resources which may be found in or beneath State System of Higher Education land and to grant a right-of-way through state system land. Advertising of the contracts and bidding is provided. The bill details how the payments and royalties shall be divided. Lastly, the department may convey all oil, gas and mineral rights to the purchaser of surplus Commonwealth real property along with the conveyance of the surplus real property. | Passed 47-2 in the Senate. In House Environmental Resources and Energy Committee. |
| SB 1100 | Scarnati | Amends Title 58 (Oil and Gas) by consolidating the Oil and Gas Act into chapter 32 of Title 58 with modifications to environmental safeguards as they relate to unconventional gas wells. Provides for notification; denial of permit; well location restrictions; protection of water supplies; presumption; containment; transportation regulations; emergency response information; reporting requirements; notification to public drinking water systems; corrosion control requirements; model ordinances; a model zoning ordinance; collection of data; well bonding; inspection reports; penalties; and local zoning. | Passed 29-20 in Senate. In House Finance Committee. |
| SB 1251 | Kasunic | Amends the act entitled "An act regulating the terms and conditions of certain leases regarding natural gas and oil," providing for computation of oil and gas royalties; and further providing for well designations. | In Senate Environmental Resources and Energy Committee. |
| General | | | |
| HB 34 | Gibbons | The Municipal Service Grant Act provides for grants to municipalities that provide services to universities within the State System of Higher Education. The bill appropriates \$3 million to the Department of Community and Economic Development, establishes acceptable uses for grant moneys, and provides for powers and duties of the Department. | In House Finance Committee. |
| HB 45 | Baker, M. | Act providing for college and university faculty and staff criminal history background investigations and self-disclosure requirements. | On House Tabled Calendar. |

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| HB 685 | Roebuck | Amends the Public School Code further providing for the contents of the master plan that the board is required to adopt every five years. The legislation strikes the eight requirements of the plan and adds the following new requirements: (1) describe the current higher education landscape in Pennsylvania; (2) identify unmet needs and gaps with regard to career fields, geographic and financial access; (3) identify emerging higher education issues and recommend strategies and options designed to address the issues; (4) identify gaps and opportunities for collaboration with basic education, work force development programs, economic development and other related systems; and (5) outline a plan for action by the board to revise or update its higher education regulations. | On House Tabled Calendar. |
| HB 746 | Johnson | Amends an act conferring limited residency status on military personnel, their dependents and civilian personnel assigned to an active duty station in PA, further providing for continued tuition rates after in-State eligibility test. | In House Veterans Affairs & Emergency Preparedness Committee |
| HB 802 | Reed | Amends Title 71 (State Government), in retirement for state employees and officers, defining "campus police officer" and adding campus police officers to the definition of "superannuation age." | In House State Government Committee. |
| HB 992 | Roae | Act providing for banning bonuses provided to employees of Commonwealth agencies. | In House State Government Committee. |
| HB 1073 | Kavulich | The Notification of College Underage Drinking Act requires a campus officer or employee of an institution of higher education who has knowledge that a dependent student under 21 years of age has purchased, consumed or received liquor or a malt or brewed beverage from a particular licensee to notify the designated office of the institution of higher education within five business days and notify the parent or guardian of the dependent student within ten business days of receiving written notice of the violation. The legislation establishes a civil penalty of up to \$10,000 for institutions that fail to comply with the act; provides a campus officer, an employee of an institution of higher education or an institution of higher education immunity from liability if they acted in good faith to comply with the act. | In House Liquor Control Committee. |
| HB 1510 | Murt | Act prohibiting Commonwealth agencies from paying bonuses to employees; and imposing penalties. | In House State Government Committee. |
| HB 1621 | Sturla | Act providing for the dedicated funding of higher education; and establishing the Higher Education Fund. | In House Finance Committee. |

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| HB 1695 | Payton, Jr. | State-level "Dream Act." Amends Public School Code adding an article providing for in-state tuition for undocumented individuals. The bill states an individual shall be exempt from paying the out-of-state tuition rate at a public institution of higher education in this Commonwealth if the individual: (1) Beginning with the 2005-2006 school year, attended a public or nonpublic secondary school in Pennsylvania for at least three years; beginning with the 2007-2008 school year, graduated from a public or nonpublic secondary school or received the equivalent of a high school diploma in Pennsylvania; or enters as a student in a public institution of higher education in this Commonwealth not earlier than the 2011 fall semester; (2) Provides documentation that the individual or the individual's parent or legal guardian has filed a Pennsylvania income tax return during certain timeframes; (3) In the case of an individual who is not a permanent resident, provides an affidavit stating that the individual will file an application to become a permanent resident within 30 days after the individual becomes eligible to do so; (4) In the case of an individual who is required to register with the Selective Service System, provides to the public institution of higher education documentation that the individual has complied with the registration requirement; and (5) Registers in a public institution of higher education in Pennsylvania not later than four years after graduating from a public or nonpublic secondary school in or receiving the equivalent of a high school diploma in Pennsylvania. A public institution of higher education that admits an individual under this article shall maintain records and adopt appropriate policies. The Department of Education shall report annually to the General Assembly. | In House Education Committee. |
| SB 84 | Greenleaf | Amends the Higher Education Scholarship Law to allow state scholarships to be applied to online courses, regardless of the number of credit hours required for completion. | In Senate Education Committee. |
| SB 103 | Eichelberger | Act providing for banning bonuses provided to employees of Commonwealth agencies. | In Senate State Government Committee. |
| SB 104 | Folmer | Amends The Fiscal Code to require the Department of General Services and any other state agency to create and maintain a list of all persons who are assigned a state-owned vehicle. The list is to be placed on the agency's website. An official license plate must be on the state-owned vehicle and displayed at all times. A report must be prepared every 90 days by the head of each state agency on the vehicle fleet. | Passed Senate 50-0. In House State Government Committee. |
| SB 105 | Browne | The Pennsylvania Web Accountability, and Transparency (PennWATCH) Act requires the Independent Fiscal Office to develop, implement and maintain a single, searchable, public website containing annual appropriation information and funding action or expenditure information of commonwealth agencies by December 31, 2012. Each month the website shall show unrestricted revenues placed in the General Fund and the Motor Vehicle Licensing Fund and provide links to each agency where available. Additional data to be provided on the PennWATCH system is provided for. Verification and a vendor identification system is required. | Passed Senate 50-0. In House Rules Committee. |
| SB339 | Piccola | Amends the Tax Reform Code establishing a life sciences education tax credit. | In Senate Finance Committee. |

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| SB 343 | Piccola | Amends the Public School Code, in preliminary provisions, providing for collection of identifying information of students attending institutions of higher education by adding that the Department of Education may collect identifying information of students only if the department is specifically required to do so under Federal statute or regulation or under another provision of law. The bill provides for notification when such information is collected. The institution of higher education may provide the department with identifying information for only those students who have not opted out of the department's collection of identifying information. The Secretary of Education shall establish an advisory committee to offer recommendations to the department concerning the collection of identifying information and other data from institutions of higher education. | Passed Senate 50-0. Referred to House Appropriations Committee. |
| SB 738 | Rafferty | Amends the Public School Code to define "physician's assistant" and to add physician's assistants to the Medical Education Loan Assistance Program. The bill also adds loan forgiveness for nursing students as well as physician's assistants. Procedures and requirements for loan forgiveness are also provided. | In Senate Education Committee. |
| SB 767 | Stack | Amends the Public Employe Relations Act by defining "Campus Police Officer" and affording campus police officers the protections of the Act. | In Senate Labor and Industry Committee. |
| SB 1136 | Rafferty | Act requiring the design, construction and renovation of certain State buildings to comply with specified energy and environmental building standards. | In Senate Environmental Resources and Energy Committee. |
| SB 1289 | Kasunic | Amends the Public School Code, in State System of Higher Education, providing for exemption from taxation. | In Senate Finance Committee. |
| SB 1322 | Smucker | Amends the Public School Code, in State System of Higher Education, further providing for purposes and general powers. | On Senate Calendar. |



Finance, Administration, and Facilities Committee Meeting

Boardroom, First Floor
Administration Building
Dixon University Center
2986 North Second Street
Harrisburg, PA 17110-1201

January 18, 2012

Agenda

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Committee Members: C.R. "Chuck" Pennoni (Chair), Leonard B. Altieri III, Jennifer G. Branstetter (designee for Governor Thomas W. Corbett), Representative Michael K. Hanna, Kenneth M. Jarin, Harold C. Shields, and Guido M. Pichini (ex officio).

For further information, contact Peter H. Garland at (717) 720-4010.

Finance, Administration, and Facilities Committee Meeting

January 18, 2012

SUBJECT: Nonresident Tuition Plans (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: Board of Governors' Policy 1999-02-A: *Tuition*, allows Universities with institutional capacity to develop nonresident tuition plans to create targeted marketing groups of out-of-state undergraduate students who may be charged an alternative nonresident tuition rate. Targeted student groups are based upon geography, academic program, or scholastic achievement.

To assist the Universities in their marketing efforts and to provide potential students with more accurate information concerning their cost of attending college, it is proposed that the Board of Governors approve nonresident tuition plans for 2012/13, recognizing that the actual rates to be charged will be determined when the Board sets tuition at its June 2012 meeting. The proposed plans are provided for consideration in Attachment 1. For comparison, the 2011/12 nonresident tuition plans are provided in Attachment 2.

The following changes in practice are reflected in the proposed schedule:

- Cheyney University proposes reducing its out-of-state rate and expanding its usage to all out-of-state students rather than students from specific states.
- Clarion University proposes expanding application of the alternate out-of-state rate to all nonresidents rather than only high-achieving nonresidents.
- Indiana University proposes increasing the rate charged to main campus students from six states and adjusting rates for international students.
- Kutztown University proposes establishing rates for high-achieving out-of-state students.
- The Marine Science Consortium proposal recognizes that existing PASSHE out-of-state students should be assessed their normal out-of-state rate.

MOTION: That the Board of Governors approve the attached undergraduate nonresident tuition plans for 2012/13.

Supporting Documents Included: Proposed 2012/13 Undergraduate Nonresident Tuition Plans (Attachment 1); 2011/12 Undergraduate Nonresident Tuition Plans (Attachment 2)

Other Supporting Documents Available: Board of Governors' Policy 1999-02-A: *Tuition*

Reviewed by: Office of the Chancellor

Prepared by: James S. Dillon

Telephone: (717) 720-4100

**Pennsylvania State System of Higher Education
2012/13 Undergraduate Nonresident Tuition Plans**

For Consideration by the Board of Governors, January 18–19, 2012

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| Bloomsburg University | Continue to charge 250% of the resident rate to all nonresident students. |
| California University | Continue to charge 160% of the resident rate to domestic nonresidents from all states. Charge 250% of the resident rate to all international students. |
| Cheyney University | Charge 165% of the resident rate to all nonresident students. |
| Clarion University | Charge 150% of the resident rate to all nonresident students. |
| East Stroudsburg University | Continue to charge 150% of the resident rate to high-achieving domestic nonresident science and technology majors (biology, chemistry, computer science, mathematics, and physics). Charge 250% of the resident rate to all other nonresident students. |
| Edinboro University | Continue to charge 150% of the resident rate to all nonresident students. |
| Indiana University | Charge 170% of the resident rate to all first-time freshmen and transfer students admitted to the main campus from Indiana, Michigan, New Jersey, Ohio, Virginia, and West Virginia; and any out-of-state student with a high school cumulative GPA of at least 3.0 out of 4.0 or any transfer student with a GPA of at least 3.0 out of 4.0. Current undergraduate students will be charged the rate in place when they entered. Continue to charge 250% of the resident rate to all other domestic nonresidents. Charge 125% of the resident rate (and increase 5% per year until 150% of the resident rate is reached) to all students in the Southwestern University of Finance and Economics (China) partnership. Continue to charge 250% of the resident rate to all other international students. |
| Kutztown University | Charge 150% of the resident rate to domestic nonresident students with a high school GPA of at least 3.25 out of 4.0 and an SAT score of at least 1,100. Charge 200% of the resident rate to domestic nonresident students with a high school GPA of at least 3.0 out of 4.0 and an SAT score of at least 1,000, or transferring with a minimum of 48 credits and a cumulative GPA of 3.0 out of 4.0 from higher education institutions attended. A minimum cumulative GPA must be maintained, and a minimum of 24 credits must be successfully completed each academic year. The reduced rate remains in effect for four years for first-time freshmen or is prorated for transfer students based on the number of transferable credits (but not longer than three years). Charge 250% of the resident rate to all nonresidents during summer and winter sessions. Continue to charge 250% of the resident rate to all other nonresident students. |
| Lock Haven University | Continue to charge \$2,000 less than the maximum rate to all domestic nonresident students. Charge 250% of the resident rate to all International students. |
| Mansfield University | Continue to charge 165% of resident rate to all New York and New Jersey residents. Charge 250% of the resident rate to all other nonresident students. |
| Millersville University | Continue to charge 250% of the resident rate to all nonresident students. |
| Shippensburg University | Continue to charge 150% of the resident rate to transfer students from five neighboring Maryland community colleges with dual admission agreements. Charge 225% of the resident rate to all Maryland residents not covered by the tuition differential for transfer students listed above. Charge 250% of the resident rate to all other nonresident students. |

| | |
|---------------------------|---|
| Slippery Rock University | Continue to charge 150% of the resident rate to nonresidents with a GPA of at least 3.0 out of 4.0. Charge 200% of the resident rate to all other nonresident students. |
| West Chester University | Continue to charge 250% of the resident rate to all nonresident students. |
| Marine Science Consortium | Continue to charge 150% of the resident rate to all Delaware, Maryland, and Virginia residents. Charge 250% of the resident rate to all other nonresident students or the applicable tuition rate that the student is assessed by his/her PASSHE University. |

**Pennsylvania State System of Higher Education
2011/12 Undergraduate Nonresident Tuition Plans**

As Approved by the Board of Governors, April 7, 2011

| | |
|-----------------------------|--|
| Bloomsburg University | Charge all nonresidents 250% of the resident rate. |
| California University | Charge 160% of the resident rate to domestic nonresidents from all states. International students are charged 250% of the resident rate. |
| Cheyney University | Charge 200% of the resident rate to all Delaware, Maryland, New Jersey, and New York residents. All other nonresidents are charged 250% of the resident rate. |
| Clarion University | Charge 150% of the resident rate to all incoming domestic nonresidents with SAT of 1,000 or higher and at least a 3.0 GPA or the top 30% of their graduating class. Students must maintain a 2.75 GPA to retain this rate. Transfer students qualify with the same criteria and at least a 2.75 GPA from the transferring university. Charge 200% of the resident rate to all other domestic nonresidents. International students are charged 250% of the resident rate. |
| East Stroudsburg University | Charge 150% of the resident rate to high-achieving domestic nonresident science and technology majors (biology, chemistry, computer science, mathematics, and physics). All other nonresidents are charged 250% of the resident rate. |
| Edinboro University | Charge 150% of the resident rate to all nonresidents. |
| Indiana University | Charge, for main campus, 150% of the resident rate to Indiana, Michigan, New Jersey, Ohio, Virginia, and West Virginia residents; and any out-of-state student with a high school cumulative GPA of at least 3.0 out of 4.0 or any transfer student with a GPA of at least 3.0 out of 4.0. For branch campus students, charge 150% of the resident rate to nonresidents from all states. All other nonresidents are charged 250% of the resident rate. |
| Kutztown University | Charge all nonresidents 250% of the resident rate. |
| Lock Haven University | Charge \$2,000 less than the maximum rate to all domestic nonresidents. International students are charged 250% of the resident rate. |
| Mansfield University | Charge 165% of resident rate to all New York and New Jersey residents. All other nonresidents are charged 250% of the resident rate. |
| Millersville University | Charge all nonresidents 250% of the resident rate. |
| Shippensburg University | Charge 150% of the resident rate to transfer students from five neighboring Maryland community colleges with dual admission agreements. Charge 225% of the resident rate to all Maryland residents not covered by the tuition differential for transfer students, listed above. All other nonresidents are charged 250% of the resident rate. |
| Slippery Rock University | Charge 150% of the resident rate to nonresidents with GPA of at least 3.0 out of 4.0. Charge 200% of the resident rate to all other nonresidents. |
| West Chester University | Charge all nonresidents 250% of the resident rate. |
| Marine Science Consortium | Charge 150% of the resident rate to all Delaware, Maryland, and Virginia residents. All other nonresidents are charged 250% of the resident rate. |

Finance, Administration, and Facilities Committee Meeting

January 18, 2012

SUBJECT: Revisions to Board of Governors' Financial Policies (ACTION)

UNIVERSITIES AFFECTED: All**BACKGROUND:** As part of the ongoing review of Board of Governors' policies relating to Administration and Finance functions, changes to the following three financial policies are recommended as summarized below.**Board of Governors' Policy 1986-01: Audit.** This policy has not been revised since its adoption in 1986. It is outdated and no longer consistent with expectations for auditing of public entities or with Board of Governors' Policy 1991-06-A: *State System Audit Policy*. Attached are proposed changes to this policy.**Board of Governors' Policy 1983-17: Auxiliary Enterprises.** The requirements of this policy have been superseded by Board of Governors' Policy 1996-03: *Defining Auxiliary Enterprises and Establishing Financial Reporting Requirements*. Therefore, it is recommended that Policy 1983-17 be rescinded.**Board of Governors' Policy 1983-23: Meal Services for University Functions.** The requirements of this policy have been superseded by Board of Governors' Policy 2010-01-A: *Expenditures of Public Funds*, which requires all Universities to spend public funds in accordance with the guidelines, standards, and limits established by the Chancellor. These guidelines, standards, and limits were issued in 2010 and address all the requirements associated with meals for University functions. Therefore, it is recommended that Policy 1983-23 be rescinded.**MOTION:** That the Board of Governors approve the revisions to Board of Governors' Policy 1986-01: *Audit*, and rescind Board of Governors' Policies 1983-17: *Auxiliary Enterprises* and 1983-23: *Meal Services for University Functions*.

Supporting Documents Included: Board of Governors' Policies 1986-01: *Audit*; 1983-17: *Auxiliary Enterprises*; and 1983-23: *Meal Services for University Functions***Other Supporting Documents Available:** None**Reviewed by:** Council of Fiscal and Administrative Vice Presidents, December 7, 2011;
Council of Presidents, December 14, 2011**Prepared by:** James S. Dillon**Telephone:** (717) 720-4100



PA State System of Higher Education Board of Governors

Effective: January 21, 1986

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POLICY 1986-01-A: AUDIT

See Also:

Adopted: January 21, 1986

Amended: January 19, 2012

A. Purpose

~~To provide policy regarding the independent audit of the fiscal resources of the State System of Higher Education and its universities.~~ To prescribe the requirements for the annual independent audits of PASSHE's consolidated financial statements and the separate financial statements for each university and the Office of the Chancellor.

B. ~~Objectives~~ Definitions

- ~~1. To provide independent assurances relative to the financial statements of the State System and its universities.~~
- ~~2. To provide independent assurances regarding the internal control and integrity of the university's fiscal transactions.~~
- ~~3. To provide the federal/state governments and other external entities assurances regarding the funds held and expenses incurred in executing grants, contracts, and trusts.~~

Component Units: Separately incorporated affiliated organizations that are considered to be so closely related to the universities that their financial activity must be presented in the universities' financial statements. GASB Statement 39, *Determining Whether Certain Organizations Are Component Units* (GASB 39), establishes the criteria for determining whether a university affiliate is a component unit and prescribes how the information is to be reported. Most university foundations and student government associations are component units.

Financial Statements Audit: Independent assurance as to whether the financial statements present fairly, in all material respects, the financial position, changes in net assets, and cash flows of an entity and its discretely presented component

units in conformity with accounting principles generally accepted in the United States of America.

Generally Accepted Accounting Principles (GAAP): The set of rules, conventions, standards, and procedures widely accepted in the United States of America for reporting financial information.

Governmental Accounting Standards Board (GASB): The organization that predominantly establishes GAAP for governmental entities such as PASSHE.

Single or A-133 Audit: The audit required by the Federal Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (OMB Circular A-133), of entities that expend federal funds. The Single Audit encompasses both financial and compliance components.

C. Policy Procedures

1. ~~The State System's and universities' financial statements shall be prepared in accordance with the accounting policies as prescribed in the State System of Higher Education Financial Accounting Manual.~~ The Office of the Chancellor, in consultation with the universities, shall conduct a competitive procurement to select an independent certified public accounting firm to audit PASSHE's annual financial activity for the fiscal year beginning July 1 and ending June 30.
2. ~~All State System audit requirements shall be in accordance with Generally Accepted Auditing Standards (GAAS) as prescribed by the American Institute of Certified Public Accountants (AICPA) Audit Guide for Colleges and Universities, and shall recognize the State System's Financial Accounting Manual, as appropriate.~~ The financial statements of PASSHE, each university, and the Office of the Chancellor shall be prepared in accordance with GAAP, as prescribed by GASB, and any accounting guidance issued by the Office of the Chancellor in the form of manuals, standards, procedures, guidelines, etc.
3. ~~The State System shall provide for an independent audit of its financial statements each fiscal year beginning with the year ended June 30, 1986.~~ To ensure an efficient financial statement consolidation process and audit, the universities shall prepare and submit their respective annual financial statements in the format and timeline prescribed by the Office of the Chancellor.
4. ~~The State System shall furnish its audited financial statements to such external entities as shall make request, including, but not limited to, the Commonwealth of Pennsylvania, debt rating agencies, creditors, foundations, etc.~~ The independent auditor shall conduct annual audits of PASSHE's consolidated financial statements as well as the financial statements of each university and the Office of the Chancellor. The audits shall be conducted in accordance with auditing standards generally accepted in the United States of America.

5. ~~Each university shall provide for an independent audit of its fiscal affairs year beginning with the year ending June 30, 1986. The results of the audits shall be furnished to the Board of Governors, the chancellor, and each council of trustees. Each university shall provide for an independent audit in accordance with the requirements of federal, state, and other entities as shall be required as a condition of the grant, contract, or trust for receiving the funds.~~ In accordance with GASB, the universities shall provide the separately audited financial statements of all discretely presented component units to the independent auditors and the Office of the Chancellor in a timely manner.
6. ~~The Office of the Chancellor shall afford universities the opportunity to maximize efficiency and minimize cost in executing its audit responsibilities. The independent auditor shall conduct a consolidated Single Audit of federal funds, as prescribed by OMB Circular A-133 and in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and OMB Circular A-133.~~
7. ~~The establishment of an independent internal audit function at each university shall be advocated and respected as a responsible management practice.~~ To ensure an efficient and timely Single Audit consolidation process and audit, each university shall prepare a Schedule of Expenditures of Federal Awards (SEFA) in the format and timeline prescribed by the Office of the Chancellor. Further, the universities shall participate in PASSHE's rotation schedule for the audit of student financial aid, which provides that each university's student financial aid programs are audited only once every three years, unless the independent auditor's assessment of the audit risk of a university determines that a more frequent audit is required for that university.
8. The results of all audits shall be submitted to the Office of the Chancellor and presented to the Board of Governors Audit Committee, Finance Committee, or equivalent.

~~D. Procedures~~

1. ~~The Office of the Chancellor, in consultation with the universities, shall select an independent auditor to certify annually the State System's financial statements.~~
2. ~~Each university, in consultation with the chancellor, shall select an independent auditor to certify annually the:~~
 - a. ~~university's financial statements; and~~
 - b. ~~grants, contracts, and trusts that require audit assurances.~~
3. ~~The results of all audits shall be made available to the Board of Governors.~~



PA State System of Higher Education Board of Governors

Effective: July 1, 1983

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POLICY 1983-17-R: AUXILIARY ENTERPRISES

See Also:

Adopted: June 20, 1983

Amended Rescinded: January 19, 2012

~~A. Policy~~

~~These shall be as self-sustaining as possible. In accordance with Board policy, fees for room and board shall be established by the council of trustees of each university upon the recommendation of the president. Unless otherwise authorized by the chancellor, the fees shall cover the operating costs of the university's housing and food service activities as determined by the accounting system adopted for this purpose by the State System.~~

~~B. Effective Date~~

~~July 1, 1983.~~



PA State System of Higher Education Board of Governors

Effective: July 1, 1983

Page X of X

POLICY 1983-23-R: MEAL SERVICES FOR UNIVERSITY FUNCTIONS

See Also:

Adopted: June 20, 1983

Amended ~~Rescinded~~: January 19, 2012

~~A. Policy~~

~~The president is authorized to approve expenditures for meal services provided at university expense.~~

~~B. Guidelines~~

~~In order to provide accountability and reduce costs for such activities, the following guidelines and procedures shall be used:~~

- ~~1. State System employees attending official functions may receive a meal at that function, understanding that reimbursement for such a meal would not be permissible under the State System's travel expense regulations.~~
- ~~2. State System employees required to attend an official function are not expected to reimburse the institution for meal services associated with that function.~~
- ~~3. Official guests at State System functions are not expected to reimburse the institution for meal services associated with that function.~~

~~C. Process~~

- ~~1. Approval is given by the president or his/her designee and includes conditions of:
 - ~~(a) purpose of the activity;~~
 - ~~(b) the types of service requested;~~
 - ~~(c) estimate of costs; and~~
 - ~~(d) approximate number of attendees.~~~~

~~2. A signed statement by the person responsible for the activity indicating the services have been performed accompanies the invoice requesting payment.~~

~~**D. Effective Date**~~

~~July 1, 1983.~~

Finance, Administration, and Facilities Committee Meeting

January 18, 2012

SUBJECT: Revisions to Board of Governors' Procurement and Facilities Management Policies (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: Changes to the following Board of Governors' policies are recommended to reflect current policy format, recently enacted legislation, and reasonable working arrangements. Proposed changes are summarized below.

Board of Governors' Policy 1998-04-A: Procurement of Goods, Services, Supplies, and Construction. It is proposed that the policy be revised to delete unnecessary information and insert important items from Policies 1983-02-A, 1990-04-A, and 1990-07-A. The language being removed from the policy is largely information in the current Commonwealth Procurement Code. Attached is the proposed draft policy with annotated changes.

Board of Governors' Policy 1983-02-A: Purchasing. This policy sets procurement bid limits at \$10,000. With the passage of Act 97 of 2011, the bid threshold requirements will increase to \$18,500 on January 1, 2013. It is proposed that the policy be rescinded and necessary information be inserted into Policy 1998-04-A, setting limits at the maximum allowed by law.

Board of Governors' Policy 1990-04-A: Delegation of Authority for Undertaking Design, Construction, Repair, Renovation, and Maintenance Projects. The current policy is predominately a detailed procedure document. It is proposed that the policy be rescinded, important policy items be inserted into Policy 1998-04-A, and the rest be converted to a procedure/standard.

Board of Governors' Policy 1990-07-A: Professional Services Contracting. The policy restates requirements in the Commonwealth Procurement Code. It is proposed that the policy be rescinded and important policy items be inserted into Policy 1998-04-A.

MOTION: That the Board of Governors approve the revisions to Board of Governors' Policy 1998-04-A, and rescind Board of Governors' Policies 1983-02-A, 1990-04-A, and 1990-07-A.

Supporting Documents Included: Board of Governors' policies referenced above

Other Supporting Documents Available: Draft Procedure/Standard 2012-XXX, *Delegation of Authority to Administer Facilities Projects*

Reviewed by: Council of Fiscal and Administrative Vice Presidents, October 19, 2011; Council of Presidents, November 9, 2011

Prepared by: James S. Dillon

Telephone: (717) 720-4100



PA State System of Higher Education Board of Governors

Effective: October 8, 1998

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POLICY 1998-04-A: PROCUREMENT OF GOODS, SERVICES, SUPPLIES, AND CONSTRUCTION

See Also:

Adopted: October 8, 1998

Amended: April 8, 2004, and January 19, 2012

A. Policy Purpose

All procurement of goods, services, supplies, and construction for the Pennsylvania State System of Higher Education ~~will~~ shall conform to the ~~policies, procedures, and~~ statutory ~~limitations published in~~ requirements of the Commonwealth Procurement Code (Code), Title 62, Pennsylvania Consolidated Statutes, ~~Title 24; Section XX-A of the Pennsylvania Unconsolidated Statutes, and this policy; and Act 188 of 1982, Article XX-A, Title 24, Pennsylvania Unconsolidated Statutes.~~ The State System will use the provisions contained in this policy to implement the Commonwealth Procurement Code. The provisions of the Code apply to the State System as a state-affiliated entity.

~~B. Background~~

~~Act 57 of 1998 and subsequent amendments, known as the Commonwealth Procurement Code (Code), establish the statutory limitations and provisions for all procurement activities for the Commonwealth of Pennsylvania. The provisions of the act apply to the State System as a state-affiliated entity.~~

~~C. Purpose~~

~~The intent of this policy is to assign specific responsibilities and establish procedures that will be used to implement the Code within the State System.~~

DB. Definitions

The following definitions apply to the State System.

Agency Head—The chancellor is the agency head for the State System, as referenced in the Code.

Contracting Officer—The chancellor, the president of each university, and their written designees are designated as contracting officers and, as such, are the only individuals authorized to procure goods, services, supplies, and construction; enter into and administer contracts; and make written determinations with respect to contracts for the State System.

Department—For those cases in which the State System, by virtue of its status as a state-affiliated entity, is granted similar authority to that assigned to the Department of General Services in the Code, “department” shall mean the agency head.

Fiscal Officer~~—or Comptroller~~—The chancellor and the president of each university, or their designees, will appoint a fiscal officer~~—or comptroller~~, who will shall be responsible for reviewing all procurements (except small purchases) for fiscal responsibility, budgetary appropriateness, and availability of funds.

Purchasing Agency—The State System is a purchasing agency as defined in the Code. The chancellor will act as, and assume the duties and responsibilities assigned to, the purchasing agency head.

All other definitions applicable to the procurement of goods, services, supplies, and construction ~~will~~ shall be as defined in the Code.

EC. Authority and Responsibilities of the Chancellor

The chancellor, ~~will serve~~ as agency head, ~~and shall~~ carry out the duties and responsibilities of that office as defined in the Code and this policy. These include:

1. Formulate implementing policies and procedures consistent with the Code and Title 24.
2. Delegate contract authority to System contracting officers consistent with System policy ies and procedures.
3. Audit and monitor implementation of the System's procurement program.
4. Make or authorize others to make emergency procurements as provided in the Code and Title 24.
5. Issue written decisions for all protests in a timely manner as directed in the Code.
6. When deemed appropriate in specific circumstances, issue letters of intent for construction contracts as allowed by the Code.

7. Establish due process procedures for hearing debarment actions and appoint a debarment board to conduct such hearings in accordance with those procedures.
8. Make the final determination for the agency in any suspension or debarment actions and issue written decision.
9. Promulgate procedures for the sale and/or disposal of surplus supplies in accordance with the provisions of Chapter 15 of the Code.
10. Promulgate procedures and minimum staffing and qualifications for administering contracts for construction, repair, renovation, and maintenance projects as allowed by law.
11. Delegate to each State System university the appropriate level of authority, as allowed by law, to undertake design, construction, repair, renovation, and maintenance projects. Authority will be commensurate with the demonstrated capability of the university's construction management and contract administration staff as compared to the minimum qualifications specified in procedures prepared by the Office of the Chancellor.
12. Establish standards and procedures for acceptable public notice.

FD. Authorities and Responsibilities of State System Contracting Officers

State System contracting officers ~~will~~shall carry out the duties and responsibilities of that position as defined in the Code and this policy. These include:

1. The chancellor and the president of each university ~~will~~shall designate, in writing, signature authority for contracting officers and fiscal officers. Letters will specify fiscal limitations and types of contracting authority. Copies of signature authority letters will be submitted and maintained in the Office of the Vice Chancellor for Administration and Finance and the Office of Chief Counsel.
2. Comply with the provisions of the Code, Board of Governors' policies, and all applicable collateral statutes, including, but not limited to, the Prevailing Wage Act, Separations Act, Steel Act, State Adverse Interests Law, Reciprocal Limitations Act, and Ethics Act, when contracting for goods, services, supplies, and construction.
3. Determine the method of source selection and public notice to be given for each contract.
4. ~~Ensure that withdrawals of bids are made in accordance with the provisions of the Code and the basic policy.~~ Achieve and maintain the qualifications and staffing required for delegation of authority to

administer facilities projects as per standards and procedures developed in accordance with paragraphs C.10. and C.11.

5. Determine in writing the conditions justifying ~~procurements made without competition~~ any procurement to be awarded by a process other than competitive sealed bidding, per Section 511 of the Code and State System procedures.
 - ~~a. Award a sole source contract, as defined in Section 515 of the Code, for supplies, services, or construction above the limits defined in paragraphs G.4 and G.5, below, and as provided in Section 515, only after providing a copy of the written determination justifying the use of the sole source to university legal counsel for review and approval as specified in Section 563 of the Code.~~
 - ~~b. Make an emergency procurement as defined and in accordance with the requirements in Section 516 of the Code. At the earliest possible and practical time in the emergency procurement process, advise university legal counsel of the circumstances dictating the procurement. Upon advisement, forward to the office of university legal counsel for approval an emergency certification justifying the use of the emergency procurement as specified in Section 563 of the Code and a contract for the required emergency services unless such items were secured by purchase order. In cases involving a purchase order, only an emergency certification need be presented to university legal counsel for approval.~~
6. Determine the security, payments, and performance bonding required in each contract to ensure appropriate risk coverage for the System consistent with the Code and System policy. Provide copies to any person who makes an application for the copy.
7. Appoint members and constitute selection and negotiating boards for the procurement of design professional services in accordance with ~~the State System~~ procedures of Policy 1990-07-A or its amendments.
8. Hear and issue findings on claims and/or disputes concerning administration of a contract. This authority does not include decisions for bid protests.
9. Cooperate fully in a timely manner with the Office of the Chancellor in any bid protest, claim, and/or dispute concerning solicitation, award, or administration of a contract.
- ~~10. Determine the method of public notice listed in Section 512 of the Code to be given to ensure adequate competition to allow selection of a responder, bidder, or proposer responsive to the requirements of the State~~

~~System including considerations of cost and other factors. Principles of public notice are provided in paragraph H below.~~

- ~~11. Select any or all methods of public notice listed in Section 512 of the Code, except that a general notice must be given in addition to issuance of invitation for bids to bidders on the solicitation mailing list, and/or when utilizing the pre-qualification provisions of Section 512.~~
- ~~12. Pre-qualify prospective bidders and offerers for particular types of supplies, services, and construction whenever a pre-qualification list is used for the procurement action. The responsive, responsible bidder most successfully meeting the conditions, cost, and other factors defined in the solicitation, must be considered for award even though that bidder was not included in the pre-qualification list.~~
- ~~13. Permit withdrawal of erroneous bids after opening, but before award, because of bid mistakes, as stated in Section 512 of the Code, provided notice of request for relief and supporting evidence to withdraw the bid is made in writing to the contracting officer within two business days after opening the bids.~~
- ~~14. Review the contractor's accounting system to ensure it complies with the provisions of Section 541 of the Commonwealth Procurement Code, whenever selecting a contract type other than a firm, fixed-price contract or an emergency procurement.~~
1510. Award contracts to the responsive, responsible bidder, responder, or proposer (plural in the case of solicitations seeking multiple awards) who best meets the State System's needs in terms of cost and other factors as defined in the solicitation.

GE. Other Authorities and Duties

- ~~1. In implementing the provisions of the Reciprocal Limitations included in the Code, the State System will use the list of discriminating states prepared and published by the Department of General Services for administering the Reciprocal Limitations provisions.~~
21. The State System will participate in the Contractor Responsibility Program in coordination with the Office of the Budget and the Department of General Services.
32. The appointed fiscal officer ~~or comptroller~~ of each State System institution, and the Office of the Chancellor for Office of the Chancellor procurements, will review and approve all procurements for fiscal responsibility, budgetary appropriateness, and availability of funds. Also, at his or her option, this officer may serve as a nonvoting member of an evaluation committee for requests for proposals or similar contract

bidding, or a selection committee for acquisition of services.

43. In contracts requiring signature by two authorized State System officials, ~~ensure that~~ the individual signing as the contracting officer ~~is~~ shall be a different individual than the one signing as the fiscal officer ~~/comptroller~~.
54. The provisions of Section 514 of the Code, entitled Small Procurements, ~~will be limited to procurements at the amount published in Policy 1983-02-A: Purchasing, or its amendments~~ shall be set at the maximum authorized by law for services, supplies, and construction.
- ~~6. The provisions of Section 514 of the Code, entitled Small Procurements, for construction projects will be limited to procurements up to and including \$10,000, as adjusted annually by the construction cost index published by the Department of General Services.~~

~~H. Principles of Public Notice~~

~~The following principles of good procurement practices will be considered when determining the public notice to be given for System procurements.~~

~~1. Responsiveness~~

- ~~a. The objectives and policies of the agency.~~
- ~~b. Community understanding of purchasing procedures and requirements.~~

~~2. Accountability~~

- ~~a. Compliance with all federal, state, and local laws, statutes, and regulations, and State System and university policies.~~
- ~~b. The maximum value for each dollar of expenditure sought assertively through the widest possible audience of potential vendors to maximize competition. Competitive practices may be set aside only in the most justifiable circumstances. Collaboration with other universities and public agencies will be pursued to maximize value.~~
- ~~c. Adequate documentation will be maintained and provided for public review.~~

~~3. Fairness and Openness~~

- ~~a. All competitive suppliers are granted equal consideration as far as state or federal statutes and institutional policies permit.~~

- ~~b. A reasonable effort is made to make all competing suppliers aware of institutional needs related to the procurement.~~
- ~~c. Minority/Women Business Enterprises (MBE/WBE) are sought actively to provide them the opportunity to respond to the solicitation in accordance with Policy 1995-02 and System procedures.~~
- ~~d. Honesty in sales representation is demanded, whether offered by verbal or written statement, advertisement, or a sample of the product.~~
- ~~e. Business is conducted with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.~~
- ~~f. Receive consent from the originator of proprietary ideas and designs before using them for competitive purchasing purposes.~~
- ~~g. Every effort is made to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier. Major controversies are submitted to arbitration or other third-party review, as permitted by the Code and Act 188 of 1982. Personal and institutional gifts or gratuities are not accepted.~~



PA State System of Higher Education Board of Governors

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Board of Governor' Policy 1983-02-~~AR~~: **Purchasing**

Adopted: June 6, 1983

Effective: July 1, 1983

Amended: May 14, 1998 and January 14, 2010

Rescinded: January 19, 2012

~~A. Purchases up to and including \$10,000~~

- ~~1. Prudent business practices are institutionally established and followed as they relate to purchases up to and including \$10,000.~~
- ~~2. Purchases up to and including \$10,000 shall not require competitive bidding.~~
- ~~3. Service purchase contracts exceeding \$5,000 must be reviewed by legal counsel.~~

~~B. Purchases over \$10,000~~

~~Purchases over \$10,000 must be bid competitively under institutionally established business practices.~~

~~C. Institutionally Established Procedures~~

~~Each university president will submit to the chancellor within 90 days of the adoption of this policy, the document detailing the established prudent business practices followed by the university in compliance with this policy.~~

~~D. Effective Date~~

~~July 1, 1983.~~



PA State System of Higher Education Board of Governors

Effective: April 19, 1990

Page X of X

POLICY 1990-04-~~AR~~: DELEGATION OF AUTHORITY FOR UNDERTAKING DESIGN, CONSTRUCTION, REPAIR, RENOVATION, AND MAINTENANCE PROJECTS

See Also:

Adopted: April 19, 1990

Amended: October 8, 1998

Rescinded: [January 19, 2012](#)

~~A. Policy~~

~~On behalf of the Board of Governors, the chancellor shall delegate in writing to each State System university the appropriate level of authority within that authorized by Act 188 of 1982, and amendments thereto, to undertake design, construction, repair, renovation, and maintenance projects. Such authority shall be commensurate with the demonstrated capability of the university's construction management and contract administrative staff, as compared to the minimum qualifications specified hereinafter. The Board and the chancellor expect each university to achieve, by actively and vigorously pursuing, the qualifications required for delegation of authority required to administer each project at minimum risk as permitted under the State System's enabling legislation.~~

~~B. Background~~

~~The design, construction, improvement, maintenance, repair, and renovation of facilities are essential to the continued satisfactory operation of State System universities. Since its inception in 1983, the State System has been granted increased authority to construct facilities by force account (in-house personnel and university purchased materials), or to contract for facility services. Many services previously performed by the Department of General Services are now being performed by the State System universities. Universities that are not capable of performing these services themselves may find there is no longer a responsive avenue to obtain those services; therefore, it is incumbent on each university to provide the contract administration organization with the qualifications required for delegation of authority permitted by statute to manage every facilities contract effectively.~~

~~From 1990 to 1998, System universities successfully have managed numerous construction, improvement, maintenance, repair, and renovation projects accomplished by both employees and contract procurement, using the delegation concepts and principles established in this policy. The modifications included in this revision (October 1998) stem from experience to date. System universities continuously have expressed difficulty in achieving and maintaining the university staff necessary to administer facilities contracts as required by previous issues of this policy. To preserve System contract authority, it is essential to provide a contract administration organization capable of effectively managing facilities contracts to minimize contractual and technical risks inherent in construction. In order to permit delegation of authority to administer every contract, universities must assemble the necessary facilities contract management organization to manage each facilities contract effectively.~~

~~Act 57 of 1998 provides new policies and procedures for administering contracts for facilities projects exceeding \$25,000; therefore, the provisions of this policy address the requirements for delegation of authority for undertaking design, construction, repair, renovation, and maintenance projects exceeding \$25,000. Universities may undertake facilities projects under \$25,000 in accordance with the statutory requirements and System administrative procedures for facilities without specific delegation of authority under this policy.~~

~~C. Objective~~

~~Each State System university shall submit the information requested below to identify the qualifications of the personnel and administrative program standards required to permit delegation of facilities project authority. The university shall request delegation of the appropriate level of authority commensurate with the criteria specified in Attachment 1.~~

~~Universities may not undertake projects exceeding the delegated authority approved by the chancellor without specific exception.~~

~~D. Purpose~~

~~Accomplishment of design, construction, repair, renovation, and maintenance projects involves various degrees of risk and liability affecting the health and safety of the workers and facility users depending on the nature and complexity of work involved. In addition, any investments made in public facilities must be accomplished in an efficient and economical manner in accordance with established building codes and standards, as well as safe construction methods and practices.~~

~~In order to maximize the probability that facility projects will be accomplished in the public's best interests, qualified professional State System personnel and/or State System professional firms must be employed to administer or manage contractual agreements and provide quality assurance during accomplishment of the work. Therefore, before any State System university may undertake design, construction, repair, renovation, or maintenance projects exceeding \$25,000,~~

~~the university must provide and receive approval of acceptable minimum credentials of the personnel who will be administering the work to be undertaken. The credentials must clearly demonstrate that the personnel who will undertake management/administration of the project meet the specified minimum criteria.~~

~~Universities may establish the required contract administration organization by hiring qualified personnel that meet the requirements specified in Attachment 1 to maintain standing delegated contract authority, or may hire a fully capable contract specialist and supplement the staff with personnel obtained from professional firms, as specified in Attachment 1, for each project.~~

~~In addition, prescribed administrative program standards, as specified in Attachment 1, must be met in order to receive delegated authority.~~

~~Upon presentation of the required qualifications of the personnel and administrative program standards according to the procedures below, the chancellor or a designee will provide written delegation of authority commensurate with the qualifications presented.~~

~~E. Definitions~~

- ~~• **Construction**—the erection of an addition or improvement to an existing facility or a new building or structure or creation of new building space or a structure using component or pre-assembled building materials.~~
- ~~• **Degreed Architect or Engineer with Professional Registration**—an individual who has earned a baccalaureate degree or higher from an accredited college or university curriculum in architecture, civil engineering, electrical engineering, mechanical engineering, or related engineering science.~~
- ~~• **Design**—the preparation of the plans, specifications, and contractual documents for construction, maintenance, repair, renovation, or improvement projects for university or State System facilities which may be accomplished by university employees or by merit selection of private professionals engaged in the practice of architecture or engineering.~~
- ~~• **Facility, Maintenance, Repair, and Renovation**—as defined in Board of Governors' Policy 1990-01.~~
- ~~• **Improvement**—the addition of a facility amenity, such as installation of central air conditioning, that was not part of the structure when originally constructed.~~
- ~~• **Professional Firm**—an architectural or engineering firm licensed to do business in Pennsylvania to provide facilities design, construction management, and related services. Individuals working on the project must be licensed in Pennsylvania as a professional engineer, architect, or land surveyor, as applicable.~~

- ~~**Professional Registration**—an individual who has been registered as an architect or engineer in training or as a registered architect or professional engineer in a state, territory, or district of the United States.~~

~~F. Procedure~~

- ~~**Application**—Each State System university shall submit to the Office of the Chancellor an application to identify the requisite personnel and administrative program standards required for the delegation of authority as specified in Attachment 1 to obtain delegation of contract authority for facilities projects. Consultants can be used to replace or supplement the permanent requirements for certification for the project manager and quality assurance coordinators' responsibilities. The chancellor shall review university applications and shall determine the authority that shall be delegated to each university based on the president's recommendation and qualifications presented.~~
- ~~**Certification**—The chancellor shall authorize the president to issue individual certifications to System employees, as shown in Attachment 2. Certification for the individual shall remain in effect as long as the individual is engaged actively in the contracting process, and meets the re-certification requirements, as specified below.~~
- ~~**Delegated Authority**—Delegation of authority under this policy does not exempt any university from prevailing regulatory requirements. Delegation of authority will be granted by letter. Delegated authority shall remain valid as long as the certified individual remains employed within the State System or is otherwise revoked, and the prescribed administrative program standards are met or maintained. The university shall request authority to issue new certificates when required by personnel changes, etc. The university's delegated contracted authority will be adjusted, as required, until the requisite certifications are obtained for standing delegated contract authority.~~
- ~~**Re-certification**—To ensure certified contract administration personnel remain knowledgeable of facilities contract administration requirements, individuals with certifications must be re-certified annually. Re-certification requires that the individual's training is current with that prescribed in Attachment 1, the individual is actively engaged in performing one of the three functions listed in Attachment 1 on a full-time basis, and the individual is knowledgeable in construction contract administration, as determined by the annual re-certification test. The university's contracting authority level will be adjusted, as required, by the loss of the individual's certification.~~
- ~~**Reviews**—The chancellor shall conduct periodic reviews for conformance with the delegated authority and specified contracting procedures. The chancellor may appoint a panel to assist in the periodic review of the~~

~~qualifications, procedures, and processes used in administration of contracts administered by the university under the delegated authority. Only certified personnel are authorized to award and administer facilities contracts.~~

- ~~• **Delegation Achievement** Universities are expected to obtain the required authority to administer every facilities contract. The university may choose between standing delegated contract authority or may elect to seek delegated authority on a project by project basis. Facilities contracts may not be undertaken without the required delegated authority. The chancellor may authorize interim contract authority during periods when a university cannot meet the requirements for standing delegated contract authority or project by project delegated authority. Interim authority will be given on a per project basis after the university has provided a plan for achieving one of the specified methods in Attachment 1.~~

~~**G. Effective Date**~~

~~April 19, 1990.~~



PA State System of Higher Education Board of Governors

Effective: October 18, 1990

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POLICY 1990-07-AR: PROFESSIONAL SERVICES CONTRACTING

See Also:

Adopted: October 18, 1990

Amended: April 9, 1998 and October 8, 1998

Rescinded: January 19, 2012

A. Policy

~~Authorized System Contracting Officers and professionals seeking architectural engineering or other professional services contracts with the State System of Higher Education shall utilize and comply with the Commonwealth Procurement Code and the procedures prescribed in this policy statement when contracting for professional services. Only authorized System Contracting Officers may contract for professional services and all agreements must be within delegated authority limitations.~~

B. Background

~~The Commonwealth Engineer, Land Surveyor and Geologist Registration Law, 63 P.S. § 150, and the Architects Licensure Law, 63 P.S. § 34, establish the requirements of what constitutes the practice of engineering and architecture and when registered professionals must be utilized in the design and construction of facilities projects. It is imperative that the requirements of these statutes are observed whenever facilities projects are undertaken by the System.~~

~~Act 188 as amended by Act 103 of July 10, 1990, and the Commonwealth Procurement Code authorize the State System to contract for professional services for facilities projects. The Acts require selection of professionals by a selection board based on qualifications and merit, after advertisement of the work. Award of a contract must be based on equitable distribution of contracts, capability to perform the services, geographic proximity to the work, ability to perform the work within the required time frame, and other related circumstances peculiar to the proposed contract.~~

~~C. Purpose~~

~~This policy specifies the minimum requirements that must be met in the process used for selection of design professionals and professional construction/project managers as provided in the cited authorities. Design/build, small procurements, sole source procurements, and emergency projects may be considered on an individual basis and may be subjected to different or an accelerated selection process.~~

~~D. Definitions~~

~~The following words and terms, when used in this policy, shall have the following meanings unless the context clearly indicates otherwise:~~

- ~~• **Authorized System Contracting Officer**—The president of each university and the chancellor, or their designees, are designated as contracting officers and, as such, are the only individuals authorized to procure goods, services, supplies, and construction; enter into and administer contracts; and make written determinations with respect to contracts for the State System.~~
- ~~• **Design/Build Projects**—projects undertaken by a single team of design professionals and contractors under the same contract are called design/build projects. The procedures for selection of the design/build team are prescribed in section E (7).~~
- ~~• **Design Professional**—a registered architect, professional engineer, landscape architect, or land surveyor, or a professional association, corporation or partnership, or other legal entity licensed or authorized by the law of this Commonwealth to provide professional design services in accordance with the provisions of 63 P.S. § 150 and 63 P.S. § 34.~~
- ~~• **Emergency Procurement**—when there exists a threat to public health, welfare, safety, or circumstances outside the control of the agency create an urgency of need which does not permit the delay involved in using more formal competitive methods, a written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file.~~
- ~~• **Negotiation Board**—a body composed of at least three members who are appointed by the Contracting Officer and are knowledgeable of the professional services required to satisfy the project, capable of evaluating the design professional's statement of qualifications and performance data, and are charged with the responsibility of identifying the most qualified design professional applicants.~~
- ~~• **Professional Construction/Project Manager**—a registered architect or professional engineer, firm, corporation, partnership, or other legal entity licensed or authorized by the law of this Commonwealth to engage in the application of the practice of engineering or architecture in accordance~~

~~with the provisions of 63 P.S. § 150 and 63 P.S. § 34 during the planning, development, design construction, alteration, repair, or renovation of System facilities.~~

- ~~• **Professional Services**—those professional services which are acquired by contractual procurement for a specified project or fixed duration by a qualifications-based merit selection process within the scope of the practice of architecture, engineering, landscaping architecture or land surveying (as defined in 63 P.S. § 149 and 63 P.S. § 34), including studies, investigation, surveying, mapping, tests, evaluations, consultations, comprehensive planning, program management, conceptual design, plans and specifications, value engineering, construction phase services, soil engineering, drawing reviews, preparation of operating and maintenance manuals and other related services associated with research, planning, development, design, construction, alteration, repair, or renovation of State System facilities.~~
- ~~• **Selection Board**—a body of at least three members charged with the responsibility of ranking the most qualified design professional applicants in order of priority.~~
- ~~• **Small Procurements**—procurements defined in Policy 1998-04 for which the cost of the procurement is below the cost limit required for competitive procurement.~~
- ~~• **Sole Source Procurements**—procurements defined in Policy 1998-04 for which procurements can be made without competition.~~

~~E. Procedure~~

~~The procedures prescribed below shall be used when contracting for professional services.~~

- ~~1. **Public Notice of Projects**—The State System universities shall give public notice of all proposed contracts in The Pennsylvania Bulletin or other approved media published in the Commonwealth Procurement Code with the advertisement containing the following minimum information:
 - ~~a. Project number or title, location, description of scope of work, and range of estimated construction cost of each project.~~
 - ~~b. The criteria for selection, the deadline (time and date) and place for response, the form and format of response desired for consideration and selection of interested applicants, and the information and address where such information may be obtained.~~
 - ~~c. A Liability Disclaimer Clause, which states: “All applications submitted are subject to review by the university slating and/or selection boards. The university boards disclaim any liability~~~~

~~whatsoever as to their review of the applications submitted and in formulating their recommendations for selection. All recommendations for selection made by the boards shall be final pursuant to the Act of November, 1982, (P.L. 660, No. 188)."~~

- ~~d. A statement that the System encourages responses from small firms, minority firms, women-owned firms, and firms which have not previously performed work for the university, and will consider joint ventures which will enable these firms to participate in university professional services contracts.~~
- ~~e. A professional shall be considered only when the information specified in the public notice is received within the prescribed deadline.~~
- ~~f. Professionals may be required as part of the selection process to be interviewed by the selection board. If an interview is required, the professionals will be notified by the board as to the date, time, and place.~~

~~2. Procedures for Selection of Design Professional Services and Professional Construction or Project Management Services~~

- ~~a. Each Contracting Officer or the Office of the Chancellor shall establish selection and negotiation boards, which shall be used to select professional services on a merit basis, as prescribed by Act 188 and the Commonwealth Procurement Code.~~
- ~~b. Every selection shall be made based on the qualifications of the professionals, and the fees for services shall be established by negotiation regardless of the fee.~~
- ~~c. The Contracting Officer shall give public notice of projects requiring services of professionals, in order to determine the identity of design professionals interested in the design, contract administration, project management, or inspection for the project.~~
- ~~d. The selection board appointed by the Contracting Officer shall review the qualifications of interested professionals and identify in rank order, based upon the criteria established and published by the board, at least three of the professionals deemed to be the most highly qualified to provide the services required. The results of the selection board shall be formally transmitted to the negotiation board appointed by the Contracting Officer and made available for public information upon request. In establishing the criteria and in the selection process, both boards must consider:
 - ~~(1) equitable distribution of contracts among qualified architects and engineers;~~~~

~~(2) capability to perform the design and construction management services for the contracts being considered;~~

~~(3) geographic proximity of the architect or engineer to the proposed facility;~~

~~(4) ability of the architect or engineer to furnish the necessary manpower to perform the services required by the project; and~~

~~(5) any other related circumstances peculiar to the proposed contract.~~

~~e. The negotiation board shall negotiate a fair and reasonable fee in order of preference, opening negotiations with firms of a lower preference only if a fair and reasonable fee cannot be established with the firm of higher preference. Information presented by either party during negotiation shall be considered proprietary and held in the strictest confidence, and made public only if a contract is executed.~~

~~3. Quorum Three members of the selection boards shall constitute a quorum, and all action shall be taken only by vote of a majority.~~

~~4. Negotiated Agreements~~

~~a. The negotiation board shall attempt to negotiate a contract with the professional ranked as the highest qualified professional at compensation that the board determines is fair and reasonable to the university. The board shall consider the estimated value and scope of the work, complexity, and nature of the services in its determination.~~

~~b. If a satisfactory agreement cannot be consummated with the firm considered to be the most qualified, negotiations shall be formally terminated with that professional or firm.~~

~~c. The negotiation board shall then undertake negotiations with the professional or firm ranked the second most qualified to perform the services.~~

~~d. If agreement cannot be reached with the second most qualified professional or firm, the negotiation board shall attempt negotiation with each ranked professional firm in descending order, individually (one at a time) until satisfactory agreement can be reached.~~

- ~~e. If the negotiation board is unable to negotiate a satisfactory agreement with any of the professionals or firms ranked by the selection board, the selection board may rank additional applicants for subsequent negotiations according to the process herein established.~~
- ~~f. The negotiation board shall continue negotiations in accordance with this paragraph until agreement is reached, or shall terminate all negotiations and request re-advertisement.~~
- ~~5. Standard of Conduct Employees, officers, and/or agents, or any professional submitting a letter of interest or receiving an agreement pursuant to the authority cited in this policy shall meet and comply with the contractor integrity provisions applicable to contractors pursuant to the public announcement and/or prescribed in the agreement.~~
- ~~6. Small Procurements, Sole Source Procurements and Emergency Procurements Upon determination by the Contracting Officer or a designee that a project meets the requirements for small procurement, sole source procurement, or emergency procurement, the selection procedures with regard to the form of public notification, consideration, and recommendation by the selection and negotiation boards may be modified.~~

~~————— Design/Build Projects as Permitted by Pennsylvania Code~~

- ~~a. The State System shall give public notice of all proposed contracts undertaken through the design/build process.~~
- ~~b. The selection committee shall review the information required of the design/build firms responding to the public notice and the Request for Proposals (RFP), if required, and shall pre-qualify at least three but not more than seven firms most qualified to satisfy the project requirements on basis of merit using the criteria specified in section 2 (d).~~
- ~~c. Those design/build teams/firms prequalified as most qualified shall be requested to submit a Guaranteed Maximum Price (GMP) for the project based on the specified requirements for the project in the Request for Proposals.~~
- ~~d. Award shall be made on a competitive basis to the design/build team/firm submitting the lowest conforming guaranteed maximum price.~~

Finance, Administration, and Facilities Committee Meeting

January 18, 2012

SUBJECT: Board of Governors' Investment Policy Review by Independent Investment Consultant (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: In fall 2010, the Chairs of the Board of Governors and the Finance, Administration, and Facilities Committee directed PASSHE to secure the services of an independent investment consultant to review the operating funds portion of Board of Governors' Policy 1986-02-A: *Investment*. Using a competitive bid process, Prime, Buchholz & Associates, Inc., was selected.

The consultant's purpose was to:

- Review the suitability of the policy, its prudence, and adequacy for the investment of public funds.
- Ensure compliance with the policy.
- Note any practices that may subject the portfolio to inappropriate risks.
- Provide recommendations for improvement of the current policy in relation to various appropriate asset classes and risk measures.
- Provide recommendations to improve current investment management practices.

The consultant completed its review in spring 2011 and found PASSHE and the investment manager to be in compliance with current policy, and PASSHE's investment policy to be appropriate. The consultant recommended more robust reporting from the investment manager along with various asset class investment modifications.

The proposed revisions to the attached Board of Governors' Policy 1986-02-A: *Investment*, incorporate the consultant's recommendations and corresponding changes to the long-term funds classification portion of the policy.

Sean T. Higman, Principal, from Prime, Buchholz & Associates, Inc., will be available at the meeting for questions.

MOTION: That the Board of Governors approve the revisions to Board of Governors' Policy 1986-02-A: *Investment*.

Supporting Documents Included: Board of Governors' Policy 1986-02-A: *Investment*

Other Supporting Documents Available: Final Report from Prime, Buchholz & Associates, Inc.

Reviewed by: Finance, Administration, and Facilities Committee of the Board, December 12, 2011

Prepared by: James S. Dillon

Telephone: (717) 720-4100



PA State System of Higher Education Board of Governors

Effective: January 21, 1986

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POLICY 1986-02-A: INVESTMENT

See Also:

Adopted: January 21, 1986

Amended: January 19, 1988; October 19, 1989; October 18, 1990; October 21, 1993; October 19, 1995; ~~and~~ October 9, 1997; January 15, 2009; and January 19, 2012

A. Introduction

The purpose of this policy is to provide the basis for the State System of Higher Education (the "System") to manage responsibly the funds in its custody in accordance with the investment philosophy and objectives herein articulated. Under Act 188 of 1982, responsibility for the establishment of such policy is vested in the Board of Governors.

B. Investment Philosophy

The State System of Higher Education, in keeping with its legal status as a system of public universities, recognizes a fiduciary responsibility to invest all funds prudently in accordance with ethical and prevailing legal standards. In addition, the State System recognizes that the funds in its custody can be classified according to purpose, time frame for use, source, and other similar classifications. Differential investment guidelines and objectives are required to manage various funds classifications appropriately and optimally.

Regardless of funds classifications, certain general tenets apply. Investments in all classifications should seek to minimize ~~exogenous~~ investment risks while ~~maintaining or expanding purchasing power~~ maximizing asset value. Adequate liquidity should be maintained so assets ~~are~~ may be held to maturity. ~~In all classifications, high quality investments are preferred.~~ Reasonable portfolio diversification should be pursued to ensure that no single security or investment or class of securities or investments will have a disproportionate or significant impact on the total portfolio. Investments ~~should~~ may be made in ~~U.S.-based~~ dollar-denominated debt of high quality U.S. and non-U.S. corporations. Investment performance in all classifications should be monitored on a frequent and regular basis to ensure that objectives are attained and guidelines are ~~adhered to~~ followed.

C. Definitions

- **Locally Managed Funds**—Those funds which, by covenant or preexisting conditions, must be managed by a university or other designated representative.
- **Long-Term Investment Funds**—Those funds which comprise the endowment, quasi-endowment, and life-income groups, as defined by the National Association of College and University Business Officers (NACUBO); further, this shall mean those funds which are not current in nature, i.e., the principal of which is not needed to finance current operations.
- **Operating Funds**—Those current funds that generally accrue as a function of state appropriations, tuition and fees, auxiliary operations, contracts and grants, and gifts and donations. These funds shall be invested in the System Investment Fund (the "Fund"), which will be comprised of two portfolios—the Short-Term Portfolio and the Intermediate-Term Portfolio. "Operating Funds" are further classified as follows:
 - **Short-Term Operating Funds**—Those funds which will be required to satisfy projected expenditures during the fiscal year; they are further identified as those funds between the high point and the low point of the annual cash projection of the System. These funds will comprise the Short-Term Portfolio of the ~~System Investment~~ Fund.
 - **Intermediate-Term Operating Funds**—Those funds which are not projected as being required to satisfy expenditures during the fiscal year; they are further identified as the low point on the annual cash flow projection for the System. These funds will comprise the Intermediate-Term Portfolio of the ~~System Investment~~ Fund.

D. Investment ~~Committee~~ Oversight

~~There is hereby established an Investment~~ The Finance, Administration, and Facilities Committee of the Board of Governors of the State System of Higher Education, ~~the function of which~~ (the "Committee") and Treasury staff (the "Staff") shall be ~~to contract for the management of the investable assets of the State System. The Investment Committee shall also be~~ charged with the responsibility of monitoring the performance of all ~~State~~ System investments and reporting on an annual basis to the Board of Governors ~~and the Executive Council~~ through the Chancellor. ~~The Investment Committee will receive quarterly reports.~~

~~The Investment Committee shall be composed of the chair of the Finance and Administration Committee of the Board, the vice chancellor for finance and administration, the assistant vice chancellor for financial management, and four~~

~~university vice presidents who serve two-year terms and may be reappointed. The chair of the Investment Committee shall be the vice chancellor for finance and administration, who shall call committee meetings as necessary and appropriate.~~

The performance of the Fund's investment manager(s) will be actively monitored by the Staff, who will report any meaningful observations and performance deviations to the Committee in a timely manner. Quarterly performance will be evaluated versus appropriate benchmarks, but emphasis will be placed on relative performance over longer investment periods. In addition to performance measurement, the Staff will monitor for consistent implementation of investment strategy and philosophy, appropriate risk controls, adherence to stated guidelines, and any material changes in the investment manager's organization and/or investment personnel.

A Treasury Report consisting of various financial and investment information, including, but not limited to, performance of all System investments, investment balances, and a debt profile, shall be prepared quarterly and presented for review to the director, Office of Internal Audit and Risk Assessment. The most recent Treasury Report will be reviewed by the vice chancellor for administration and finance and presented by him/her biannually to the chair of the Committee.

E. Duties and Responsibilities of the Investment Manager(s)

Investment managers are expected to comply with the following list of duties and responsibilities; these items will be communicated in writing to all investment managers, along with any specific guidelines or constraints to the investment mandate.

1. Promptly inform the Staff in writing regarding all significant and/or material matters and changes pertaining to investment of the Funds, including, but not limited to, investment strategy, portfolio structure, tactical approaches, ownership/organizational structure, professional staff, financial condition, guideline changes, and all Securities and Exchange Commission (SEC) and other regulatory agency proceedings affecting the investment management firm.
2. Promptly execute all responsibilities associated with the investments in a manner consistent with long-term interests and objectives of the Fund. Each investment manager shall keep a record of actions required in the management of the portfolio and comply with all regulatory obligations related thereto.
3. Use the same care, skill, prudence, and due diligence under the circumstances then prevailing that experienced investment professionals acting in a similar capacity and fully familiar with such matters would use in similar activities for similar investment portfolios with similar aims in

accordance and in compliance with applicable local, state, and federal laws, rules, and regulations, including, but not limited to, those pertaining to fiduciary duties and responsibilities.

EF. Investment Objectives and Guidelines for Operating Funds in the System Investment Fund

Safety of principal and liquidity are the top priorities for the investment of the ~~System's operating funds~~ Fund. Within those guidelines, income optimization should be pursued. Speculative investment activity is not allowed; ~~this, Speculative investment activity~~ includes, but is not limited to, investing in asset classes such as commodities, ~~futures, leverage, short sales,~~ equities, ~~real or personal property, options,~~ venture capital; investing in futures, private placements, letter stocks, and or unlisted securities; or entering into short sales, option contracts, or utilizing leverage. The operating funds of the State System shall be invested and reinvested in the following types of instruments with qualifications as provided.

1. United States Government Securities, which includes obligations issued or guaranteed by the United States Treasury, United States Federal Agencies, and United States Government Sponsored Enterprises (GSEs). At all times, at least 20% of the market value of the ~~System Investment~~ Fund shall be invested in U.S. Government Securities including repurchase agreements. However, debt obligations issued directly by GSEs that are not explicitly guaranteed by the United States Government are limited to 5% of the Fund's assets, as measured on a market-value basis; GSE guarantor obligations related to mortgage-backed securities are not included in the 5% limitation.
2. Repurchase Agreements
 - a. Such agreements shall require that the underlying collateral be direct obligations of the United States Treasury, excluding interest-only and principal-only Treasury securities (IO and PO Strips), and the collateral be in the custody of the State System or its agent. At all times, the market value of the collateral plus the accrued interest on the security to the date of valuation must equal at least 102% of the invested principal. Repurchase agreements with maturities beyond 30 days should comprise less than 10% of the Fund, as measured on a market-value basis.
 - b. Reverse repurchase agreements, used to take advantage of unique market opportunities, where the relative value of securities with similar terms can be exchanged for gain only, and not to leverage the ~~System Investment~~ Fund or speculate on interest rate directions. Proceeds of the transaction are to be reinvested in accordance highly liquid securities with this policy minimal credit and duration risk.

- c. Repurchase agreements and reverse repurchase agreements may be entered into only with parties having a ~~net capital position short-term credit rating of \$50 million~~ "Prime-1" ("P-1") by Moody's Investors Service, or more the equivalent by Standard & Poor's, and a long-term rating of "A" or above by Moody's Investors Service, or the equivalent by Standard & Poor's. No more than 5% of the market value of the ~~System Investment~~ Fund may be invested with a single repurchase agreement dealer.
 - d. The total allocation to repurchase agreements in the Fund shall be limited to 30% of the market value of the Fund.
- 3. Commercial Paper, which shall mean unsecured promissory notes issued either in discount or interest-bearing form by ~~any a corporation or partnership~~ and which ~~must bear~~ carries a Moody's ~~Credit Investors Service~~ "Prime One 1 Rating," "P-1" or "Prime-2" ("P-2") rating, or the equivalent by Standard & Poor's or Fitch's Rating Service, provided that subject to the restrictions below.
 - a. For issues rated "P-1," no more than 5% of the market value of the ~~System Investment~~ Fund shall be invested in any single ~~direct~~ issuer of commercial paper at any given time.
 - b. For issues rated "P-2," issuers must be U.S. corporations with a long-term debt rating of "Baa2" or better by Moody's Investors Service; no more than 3% of the market value of the Fund shall be invested in any single issuer of commercial paper that is rated "P-2;" the "P-2"-rated commercial paper must have a maximum maturity of 30 days; and no more than 5% of the market value of the Fund assets may be invested in commercial paper and corporate bonds in which the issuer has a long-term credit rating of "Baa2" or "Baa1" from Moody's Investors Service, or the equivalent by Standard & Poor's.
 - c. The Fund shall not invest in asset-backed commercial paper (ABCP) that carries a rating below "A-1/P-1."
- 4. Certificates of Deposit and Bank Notes from commercial banks with a maturity of up to and including two years, provided that any such issuing bank shall have a Moody's ~~Credit Investors Service~~ "Prime One Rating," "P-1" rating, or the equivalent by Standard & Poor's ~~or Fitch's Rating Service~~. No more than 5% of the market value of the ~~System Investment~~ Fund shall be invested in any single issuer of certificates of deposit.
- 5. Bankers Acceptances, defined as short-term financing agreements secured by the accepting bank and the goods purchased, which shall be limited to banks whose parent companies bear a Moody's ~~Credit Investors~~ Service

Service ~~“Prime One Rating,”~~ “P-1” rating, or the equivalent by Standard & Poor's ~~or Fitch's Rating Service,~~ provided that no more than 5% of the ~~total investable short-term funds~~ market value of the Fund shall be invested in any single issuer or guarantor of Bankers Acceptances.

6. U.S. Money Market Funds that are substantially of the same kinds, classes, and investment grades as those eligible for investment under the provisions of this Policy.
- ~~67.~~ Municipal Bonds with a long-term debt rating of “Aa” or better by Moody's ~~Credit-Investors~~ Service, or the equivalent by Standard & Poor's. Investments in municipal bonds will not exceed 20% of the market value of the ~~System Investment~~ Fund. No more than 5% of the market value of the ~~System Investment~~ Fund shall be invested in any single municipal issuer ~~or,~~ and municipal bond investments must be diversified by geography. On a combined basis, no more than 10% of the market value of the ~~System Investment~~ Fund shall be exposed to a single municipal bond guarantor.
- ~~78.~~ U.S. dollar-denominated Corporate Bonds ~~with,~~ whose allocation shall not exceed 20% of the market value of the Fund. Within the corporate bond allocation, 15% of the securities must carry a long-term debt rating of “Aa” or better by Moody's ~~Credit-Investors~~ Service, or the equivalent by Standard & Poor's. ~~The total of corporate bonds shall not exceed 20% of the total market value of the System Investment Fund;~~ 5% of the corporate securities may be rated between “Baa2” and “Baa1” by Moody's Investors Service or the equivalent by Standard & Poor's. Corporate bond issues rated below “A,” or the equivalent by Standard & Poor's, shall be restricted to a maximum final maturity within five years of the date of purchase.
- ~~89.~~ Collateralized Mortgage Obligations (CMOs) and mortgage pass-through securities rated “Aaa” by Moody's ~~Credit-Investors~~ Service, or the equivalent by Standard & Poor's, and composed entirely of securities guaranteed by U.S. Government Agencies or U.S. ~~Government Sponsored Enterprises~~ GSEs, excluding interest-only, principal-only, and inverse floating-rate securities. The combined total of CMOs and mortgage pass-through securities shall not exceed 20% of the ~~total~~ market value of the Fund. CMOs and mortgage pass-through securities held within the Short-Term Portfolio must have an estimated average life of less than 15 months; and CMOs and mortgage pass-through securities held in the Intermediate-Term Portfolio must have an estimated average life of less than seven years.
- ~~910.~~ Asset-Backed Securities, rated “Aaa” by Moody's ~~Credit-Investors~~ Service, or the equivalent by Standard & Poor's. The total of asset-backed securities shall not exceed 20% of the ~~total~~ market value of the Fund. No more than 5% of the market value of the Fund shall be invested in any single commercial paper conduit issuer.

1011. System Investment Fund Loans

- a. Bond Anticipation Notes, System Notes, defined as an intermediate debt obligation of one of the member entities of the State System of Higher Education which has been approved by the Board of Governors in anticipation of the issuance of bonds and which qualifies under the guidelines of the Investment Fund/University Loan Policy of the Investment Committee. PASSHE universities. System Notes may be issued as an intermediate-term project financing alternative to tax-exempt bonds. The term of the loan is not to exceed five years. Construction projects requiring financing including System Notes must be approved by the Board of Governors.
- ~~11. System Notes, defined as a debt obligation of one of the member entities of the State System of Higher Education, which qualifies under the guidelines of the Investment Committee's Investment Fund/University Loan Policy. There shall not, at any time, be more than 20% of the total market value of the Fund invested in university notes nor more than 5% of the total market value of the Fund invested in the System Notes of any single entity, unless a waiver to these limitations is expressly approved by the State System of Higher Education Investment Committee.~~
- b. Bridge Notes, defined as a short-term obligation of one of the PASSHE universities. This security is issued as needed to meet project construction cash flow needs in anticipation of permanent future financing through the issuance of tax-exempt bonds managed by the Treasury Office of the Office of the Chancellor. These notes are usually issued for 12 months or less. Construction projects requiring financing including Bridge Notes must be approved by the Board of Governors.
12. With prior written approval from the chair of the Committee, the Fund may invest in publicly traded debt securities, which:
 - a. Are direct obligations of affiliates of System member institutions; and
 - b. Possess a Committee on Uniform Securities Identification Procedures (CUSIP) number; and
 - c. Total investment in the debt of said affiliates is limited to a maximum of 0.5% of the market value of the Fund.

In all securities types, variable rate notes are allowed; however, investment in variable rate demand notes (VRDN), variable rate demand obligations (VRDO), or auction rate securities (ARS) is prohibited. The interest rate on the variable rate

notes must ~~be~~ reset at least annually. The interest rate must be based on a well-known, readily published, generally accepted index, such as the London Inter Bank Offer Rate (LIBOR), U.S. Treasury Bills, or Fed Funds. The interest rate must be directly related to the index not leveraged, deleveraged, or inversely related. Securities with interest rate caps are not permitted.

With regard to select permitted investments described above, the following limitations apply.

- The combined total ~~of~~ investments in commercial paper, certificates of deposit, bank notes, and bankers acceptances may not exceed 30% of the total market value of the System Investment Fund, and the combined total of a single issuer of commercial paper, certificates of deposit, bank notes, bankers acceptances, and corporate bonds may not exceed 5% of the total market value of the System Investment Fund; and
- The combined total of commercial paper issued by financial institutions, certificates of deposit, bank notes, and bankers acceptances and corporate obligations issued by financial institutions may not exceed 40% of the total market value of the Fund.

The Fund shall not engage in securities lending activity.

Commercial paper, certificates of deposit, bank notes, and bankers acceptances ~~must bear a short term~~ may be split-rated; however, the credit rating ~~of at least A1/P1 from Moody's or Standard & Poor's and may not have a split~~ cannot be below quality levels indicated above and, when calculating quality exposure, the lower rating ~~(an acceptable rating from one rating agency and a less creditworthy rating from the other)~~ must be used. Securities that are rated acceptable by one rating agency and unrated by the other are acceptable for purchase.

Each ~~intermediate term~~ security in the Intermediate-Term Portfolio will have an "interest rate risk value" of ~~seven~~ ten or less at the time of purchase. Interest rate risk value is defined as follows. For securities with a positive or zero convexity, the "interest rate risk value" is equal to the duration measured in years. For securities with negative convexity, the "interest rate risk value" is equal to the duration measured in years plus the absolute value of the convexity measure. All securities that comprise the Intermediate-Term Portfolio shall have a maximum final maturity of ten years or less, with the exception of corporate bond issues rated below "A" by Moody's Investors Service, or the equivalent by Standard & Poor's, which shall be restricted to a maximum final maturity of five years, measured at the date of purchase.

Callable bonds, excluding mortgage-backed securities, shall comprise no more than 10% of the market value of Fund assets. Reporting should identify callable bonds in the portfolio and list the call date for each bond. Duration and

convexity of the mortgage-backed security allocation should be reported on a monthly and quarterly basis.

Securities that fall below the minimum standards for purchase, as described herein, should be noted on the monthly report and monitored closely. Dispensation of the monitored security will depend upon the relative risk presented to the portfolio and market conditions at the time. Any action regarding the security shall be documented and reported to the **Investment** Committee at its next quarterly briefing.

FG. Further Investment Objectives and Guidelines for the Short-Term Portfolio and the Intermediate-Term Portfolio

1. Short-Term Portfolio

- a. All securities that comprise the Short-Term Portfolio shall have a maximum final maturity of ~~13~~ 15 months or less.
- b. The Short-Term Portfolio shall be maintained at a level sufficient to fund the System's operations plus an amount to cover any unforeseen emergency. Cash flow forecasts should be maintained and updated on an ongoing basis and submitted monthly along with other reporting requirements to the System.
- c. The Short-Term Portfolio shall be measured against the ~~Donoghue Money Market Standard & Poor's U.S. Commercial Paper Index and, U.S. 3-month LIBOR, the Three-Month Treasury Bill Index~~ and the Barclays Capital Short-Term Government/Credit Index, or then prevailing, comparable, generally accepted market indices that have been approved by the Committee and Staff.
- ~~d. The weighted average maturity should be calculated and submitted to the System monthly.~~
- ~~e. The portfolio manager shall submit, along with the requirements mentioned herein, a monthly report that describes significant events that occurred in the portfolio and what actions were taken, and a general narrative discussing the portfolio's activities and general direction.~~

2. Intermediate-Term Portfolio

- a. A portfolio duration target of 1.8 years should be maintained with an upper limit of ~~2.2~~ 2.5 years. The portfolio's weighted average convexity shall be greater than -0.5. The duration of the Intermediate-Term Portfolio may be maintained outside the target range or in excess of the upper limit with the approval of the Staff.

- b. The portfolio will be measured against the ~~Lehman-Barclays Capital 1-3 Year Government/Credit Bond Index~~ and the Barclays Capital 1-3 Year Government Bond Index, or the then prevailing, comparable, generally accepted market indices that have been approved by the Committee and Staff.
- c. The portfolio will be accounted for on a constant dollar-in, dollar-out basis, and the yield and income will be reported monthly. The portfolio also will be marked-to-market monthly, and the monthly data will be reported on a quarterly basis. ~~The total return of the portfolio will be reported to the System versus the Lehman 1-3 year Government Bond Index. Also reported on a quarterly basis will be the yield, total return, and duration for a portfolio consisting of one-year U.S. Government securities, and the yield, total return, and duration for a portfolio consisting of three-year U.S. Government securities.~~
- d. ~~It is recognized that any security with an imbedded issuer option, such as calls, prepayment options, and rate caps, is subject to extension risk, and requires a greater level of analysis than non-option bonds before purchase. When an option bond is purchased for the portfolio, a written justification for the purchase must be submitted to the System with the other reporting requirements herein. The justification should include the security's duration, convexity measure, applicable volatility rating (Fitch, FFIEC, proprietary), and a brief narrative describing the rationale for the purchase.~~
- e. ~~The portfolio manager shall submit a monthly report describing significant events in the portfolio and the actions taken, and a general narrative about the portfolio's activities and direction.~~

H. Investment Reporting

1. Along with the requirements mentioned herein, the investment manager shall submit a monthly report that describes significant events that occurred in the portfolio and what actions were taken, and a general narrative discussing the portfolio's activities and general direction.
2. The investment manager shall report total return performance of the investments and their respective benchmarks on a monthly basis, and detailed investment and performance reports will be provided on a quarterly basis. In addition to customary reporting requirements, monthly and quarterly reports shall include yield to maturity, weighted average maturity, convexity, quality distribution, duration distribution, duration by sector, sector allocations, and spread duration for the investments and benchmarks.

3. Monthly and quarterly reporting should include details on the types of instruments classified as cash; risk and sector reporting should look to the underlying issuer of each instrument and include investments in the cash segment of the portfolios.
4. Reports should include the Short-Term and Intermediate-Term Portfolios on a separate and consolidated basis.
5. Equivalent metrics shall be reported for the benchmark indices of the Short-Term and Intermediate-Term Portfolios and shall be included in the monthly and quarterly reports.
6. The investment manager shall promptly report any material changes to the financial or business condition of the investment management firm, as well as any changes to the investment team or investment process. The investment manager must promptly notify The Staff of any material litigation or investigations involving the investment management firm; and,
7. The investment manager will certify, with each monthly report, their compliance with this Policy.

G. Investment Objectives and Guidelines for Long-Term Funds

The long-term funds shall consist of a multi-year corpus which could have either or both a growth and income orientation. The investment objective for long-term funds is to produce the highest total return without undue risk. For funds with primarily a growth orientation, the annual total rate of return should be measured against the Standard & Poor's 500 annual rate of return; for funds with primarily an income orientation, the annual total rate of return should be measured against the ~~Shearson-Lehman-Barclays Capital Bond Index~~ or the then prevailing, comparable, generally accepted market indices. Total return is defined as conventional income plus capital gain (loss) or appreciation (depreciation), whether realized or unrealized.

Management of long-term funds shall be the responsibility of the individual university. Each university, with the approval of the local council of trustees, will establish local guidelines for the investment of long-term funds consistent with the provisions contained in this policy. Each university may, with the approval of the local council of trustees, elect to manage and invest these funds using internal staff. Other permissible investment options are as follows: the Common Fund, the American Association of State Colleges and Universities (AASCU) Capital Fund, a professional investment manager, a pooling arrangement between universities for common investment purposes, and/or through a fiduciary agreement with a qualified affiliated organization. The professional manager/affiliated organization will be required to operate within the principles contained within this policy and the guidelines promulgated by the respective university. ~~Attachment 1~~ Procedure/Standard Number 2012-xxx, Fiduciary Agreement, is to be used as a

guideline in preparing such a fiduciary agreement. All fiduciary agreements are subject to the approval of the Office of the Chancellor prior to final execution.

At the end of each fiscal year, a statement of operations reflecting beginning of year value, end of year value, income, disbursements, realized and unrealized gains (losses) will be prepared for locally managed long-term investments. A copy of the statement of operations ~~must be provided annually to~~ will be submitted to the vice chancellor for administration and finance and presented by him/her annually to the chair of the ~~State System's Investment~~ Committee.

The asset mix of the funds invested should be congruent with the purpose for which the funds were donated and/or are to be utilized. For example, funds with a predominant income orientation (e.g., scholarship funds) should be invested primarily in government and/or corporate securities with a predictable income stream. Funds with a greater emphasis on long-term growth or appreciation should be more heavily weighted toward equities.

Long-term funds shall be invested and reinvested in the following types of instruments with qualifications as provided:

1. United States Treasury and United States agency obligations.
 2. Corporate Bonds with a long-term debt rating of ~~at least "AABaa2"~~ or better by ~~Standard and Poor's—Moody's Investors Service,~~ or the equivalent of Moody's by Standard & Poor's.
 3. Taxable-municipal bonds with a long-term debt rating of ~~at least "AA"~~ or better by ~~Standard and Poor's—Moody's Investors Service,~~ or the equivalent by Moody's Standard & Poor's.
 4. Corporate equities in ~~American companies—U.S. dollar-denominated, high quality U.S. and non-U.S. corporations listed on one of the three stock exchanges—New York Stock Exchange, American Stock Exchange, and NASDAQ Stock Exchange—~~that meet the following minimum criteria:
 - a. At least ~~5,000,000—five million~~ shares outstanding and at least ~~\$100,000,000—\$100 million~~ in equity market value and
 - b. A "3" or better safety rating by Value Line.
 - c. Items 1.4.a. and 1.4.b. will not be applied to item ~~13.1.5.b.~~
- ~~135.~~ Equity holdings are restricted to:
- a. ~~American—U.S. dollar-denominated, high quality U.S. and non-U.S. corporations listed on the New York Stock Exchange, American Stock Exchange, and NASDAQ~~ National Market Stock Exchange that meet the minimum criteria in 1.4.a. and 1.4.b.

- b. Mutual funds/exchange-traded funds.
14. Valuation of equity holdings will be measured on a cost basis. The specific asset classes and strategies to be employed by the investment manager will be approved by the Chancellor or his/her designee in consultation with the chair of the ~~Finance, Administration, and Facilities~~ Committee ~~of the Board~~.
56. Covered Call Option, which shall mean to write an option to sell corporate equities owned for more than 30 days at a stated price.
67. Commercial paper, which shall mean unsecured promissory notes issued either in discount or interest-bearing form by ~~any individual, common carrier, or finance company~~ a corporation and must bear that carries a Moody's Credit Investors Service "Prime One Rating," "P-1" or "P-2" rating, or the equivalent by Standard & Poor's or Fitch's Rating Service, subject to the following provisions:
- a. ~~provided that~~ For issues rated "P1," no more than 5% of the total invested long-term ~~operating investment~~ funds shall be invested in any single ~~direct~~ issuer of commercial paper at any given time.
- b. For issues rated "P-2," issuers must be U.S. corporations with long-term debt ratings of "Baa2" or better by Moody's Investors Service, or the equivalent by Standard & Poor's. No more than 3% of the total invested long-term investment funds shall be invested in any single issuer of commercial paper that is rated "P-2."
- c. ~~In addition, n~~ No more than 10% of the investable long-term ~~operating investment~~ funds may be placed in combined direct commercial paper, letter-of-credit commercial paper, corporate bonds, or corporate equities of a single issuer. There shall not, at any time, be invested in commercial paper more than an aggregate of 25% of the total long-term ~~operating investment~~ funds of the State System.
78. Certificates of deposit from commercial banks, provided that any such issuing bank shall be rated "C" or better by Keefe, Bruyette and Woods and be insured by the Federal Deposit Insurance Corporation. No more than 5% of the total ~~invested~~ long-term ~~operating investment~~ funds shall be invested in any single issuer of certificates of deposit. There shall not, at any time, be invested in certificates of deposit more than an aggregate of 25% of the total ~~invested~~ long-term investment funds.
89. Bankers Acceptances, defined as short-term financing agreements secured by the accepting bank and the goods purchased, which shall be limited to banks whose parent companies bear a Moody's Credit Investors Service "AA Rating," or the equivalent by Standard & Poor's ~~or Fitch's~~

~~Rating Service~~, on long-term securities, provided that no more than 5% of the total investable long-term funds shall be invested in any single issuer or guarantor of Bankers Acceptances. There shall not, at any time, be invested in Bankers Acceptances more than an aggregate of 20% of the total ~~invested~~ long-term investment funds.

~~9~~10. Repurchase Agreements. Such agreements shall require that the underlying collateral be direct ~~or indirect~~ obligations of the United States ~~government~~ Treasury, and the collateral be in the physical possession of the State System or its agent. At all times, the market value of the collateral plus the accrued interest on the security to date of valuation must equal at least 102% of the invested principal. Additionally, the collateral may not have a maturity of more than four years.

~~10~~11. The Short-Term Investment Fund or the Intermediate-Term Investment Fund of the State System ~~of Higher Education~~.

~~11~~12. With the exception of direct ~~or indirect~~ obligations of the United States ~~government~~ Treasury, no more than 20% of the investable long-term funds may be concentrated in any single industry nor more than 6% in any single company.

~~12~~13. Investments in commodity futures, margin purchases, short sales, letter stock purchases, or purchase of securities with similarly marketability are prohibited.

~~13~~. ~~Equity holdings are restricted to:~~

~~a. American corporations listed on the New York Stock Exchange, the American Stock Exchange, and the NASDAQ National Market.~~

~~b. Mutual funds/exchange traded funds.~~

~~14. Valuation of equity holdings will be measured on a cost basis. The specific asset classes and strategies to be employed by the investment manager will be approved by the Chancellor or his/her designee in consultation with the chair of the Finance, Administration, and Facilities Committee of the Board.~~

Revisions to the Fiduciary Agreements

~~By this Agreement, entered into this [DATE] day of [MONTH], [YEAR], the [UNIVERSITY] University Foundation (hereinafter "Foundation") and [UNIVERSITY] University of Pennsylvania (hereinafter "University") are entering into a fiduciary relationship with respect to certain University assets, subjecting the Foundation to equitable duties to deal with the assets for the benefit of the University. In return for the confidence reposed in the Foundation, the Foundation will be obliged to apply property faithfully and according to such confidence; therefore, intending to be legally bound hereby, the parties hereto agree as follows:~~

- ~~1. The University may transfer the principal amount of gift assets, including both unrestricted and restricted true endowments, given directly to the University that originate only from external sources. Neither appropriated funds nor other funds of a current unrestricted nature may be transferred. The University shall retain title to all assets, including funds (principal and interest) transferred to, and/or invested by, the Foundation acting as the University's fiduciary. All transfers must be authorized in writing by the President of the University or his/her designee.~~
- ~~2. Wherever possible, the assent of the original donor should be secured in writing before assets are transferred to the Foundation.~~
- ~~3. The Foundation shall hold and manage transferred assets for the University. Assets shall be placed only in "authorized investments" as defined in the State System of Higher Education Board of Governors Investment Policy and the Investment Policy of the University. The Foundation will be bound by the "prudent man rule" as defined in the Decedents, Estates, and Fiduciaries Act of 1972 (Act of June 30, 1972, P.L. 508, No. 164) § 7302.~~
- ~~4. Concurrent with the transfer, the University shall inform the Foundation of all prior restrictions, rules, and agreements governing each transferred asset. The Foundation is obligated to honor all prior restrictions, rules, and agreements governing each transferred asset. The Foundation may not alter the purpose of any transferred asset.~~
- ~~5. The Foundation is bound to act, with all due speed and without a vote of its Board of Directors, upon all written requests by the President of the University or his/her designee, for the return of transferred assets and for checks drawn upon transferred funds, including the payment of all bills and other obligations associated with each fund.~~
- ~~6. The Foundation may levy charges approved by the University that represent the actual direct cost associated with managing the assets transferred. General administrative overhead fees, service charges, and indirect costs are not allowable.~~

- ~~7. All transferred University assets will be included in the Foundation's annual independent audit and any special audits required by the President of the University or his/her designee, which will be presented to the University in accordance with State System of Higher Education policies and regulations.~~

- ~~8. Either party reserves the right to revoke this Agreement at any time without cause upon thirty (30) days' written notice. The Foundation shall then return all University assets, principal at market value, and unspent accrued interest, within ten (10) working days from the expiration of the University's notice. Marketable securities held by the Foundation shall not be sold upon notice of revocation. Possession of all equities and unexpired bonds and other investments shall be transferred to the University within the time frame herein required, or upon a schedule that the University shall specify.~~

- ~~9. This Agreement is renewable biennially. It expires on June 30, [YEAR]. This Agreement may be amended at any time by mutual agreement between the University and the Foundation and with the approval of the State System of Higher Education.~~

- ~~10. In all questions arising from this Agreement, the laws of the Commonwealth of Pennsylvania shall apply.~~

~~IN WITNESS WHEREOF, duly authorized representatives of the parties have executed this Fiduciary Agreement as of the date and year first above written.~~

FOR THE FOUNDATION:

 Signature _____ Signature _____

 Title _____ Title _____

 Date _____ Date _____

 Federal I.D. Number _____

FOR THE UNIVERSITY:

President Vice President for Finance
and Administration

Date Date

STATE SYSTEM OF HIGHER EDUCATION:

FOR THE CHANCELLOR: _____ Approved as to Form and Legality

Signature University Legal Counsel

Title

Date Date

FOR THE ATTORNEY GENERAL:

Signature

Title

Date

Finance, Administration, and Facilities Committee Meeting

January 18, 2012

SUBJECT: Natali Student Center Renovation and Expansion, California University of Pennsylvania (ACTION)

UNIVERSITIES AFFECTED: California University of Pennsylvania

BACKGROUND: California University requests approval to renovate and expand Elmo Natali Student Center and bond finance the project for \$32 million.

The student center was constructed in 1970 with a modest addition constructed in the 1990s. University enrollment has increased about 65% since then, so the existing building is undersized and heavily used.

The project scope includes renovating outdated mechanical, electrical, and plumbing systems; improving site access from surrounding student housing; upgrading technology infrastructure; and adding space for food service, general meeting rooms, lounge areas, student organizations, and clubs. The project will expand the 86,300-square-foot facility to about 125,000 square feet.

The University desires to finance the project for 25 years and fund the debt service with student fees. Debt service for the 1990 addition was paid off in May 2011, which allows existing student fees, with an increase of \$67 per semester, to be used to pay for the project debt service and facility operations. In February 2011, the students voted by referendum to increase their fees from \$81 per semester to \$148 per semester.

A feasibility study and schematic design have been completed for the project. Construction is expected to start in June 2012.

MOTION: That the Board of Governors approve California University's request to renovate and expand the Natali Student Center using bond financing at an estimated cost of \$32 million.

Supporting Documents Included: None

Other Supporting Documents Available: Project Planning Documentation

Reviewed by: California University's Council of Trustees, March 2, 2011

Prepared by: James S. Dillon

Telephone: (717) 720-4100

Finance, Administration, and Facilities Committee Meeting

January 18, 2012

SUBJECT: Dining Hall Renovation and Construction, Indiana University of Pennsylvania (ACTION)

UNIVERSITIES AFFECTED: Indiana University of Pennsylvania

BACKGROUND: Indiana University of Pennsylvania has developed a multiphase plan to revitalize its dining program by constructing new dining space, renovating Folger Dining Hall, and eventually replacing Foster Dining Hall.

Existing campus dining facilities are at the end of their useful life, need major life-cycle renovations, and no longer serve the campus by function or location. In September 2011, the University completed a Campus Dining Master Plan that provided a vision for improving dining operations and a cohesive, intentional plan for the necessary renewal, replacement, and additions. The multiphase project includes:

- Constructing a new \$5 million, 12,000-square-foot "Fine Arts Food Court" with pay-per-meal services.
- Converting the Folger Hall food court into a buffet-style dining facility, which includes renovating the existing 21,000-square-foot building and constructing an 8,000-square-foot addition at an estimated cost of \$12 million.
- Constructing a new \$18 million, 34,000-square-foot, buffet-style dining hall.
- Demolishing the 57,000-square-foot Keith Hall.
- Eventually demolishing or repurposing the existing 61,000-square-foot Foster Dining Hall. The current project cost estimate does not include this work.

The University intends to bond finance the \$37 million project for 20 years and use student dining fees and other dining revenue to service the debt.

MOTION: That the Board of Governors approve Indiana University of Pennsylvania's request to revitalize its dining facilities using bond financing at an estimated cost of \$37 million.

Supporting Documents Included: None

Other Supporting Documents Available: Project Planning Documentation

Reviewed by: Indiana University of Pennsylvania's Council of Trustees, December 15, 2011

Prepared by: James S. Dillon

Telephone: (717) 720-4100

Finance, Administration, and Facilities Committee Meeting

January 18, 2012

SUBJECT: Property Acquisition, West Chester University of Pennsylvania (ACTION)

UNIVERSITIES AFFECTED: West Chester University of Pennsylvania

BACKGROUND: West Chester University requests approval to acquire property at 887 South Matlack Street in West Goshen Township, Pennsylvania. The University and University Foundation currently own property near this site.

The property includes a 24,000-square-foot masonry and brick office and warehouse facility constructed in 1984 on 2.2 acres. The building is in good condition. The University intends to use the 10,000-square-foot office portion of the building for expansion space to relieve overcrowded academic buildings and future swing space during academic building renovations. The warehouse space is currently leased, and the University intends to continue to lease that space until needed for other uses.

The estimated cost of the facility is \$1.5 million.

MOTION: That the Board of Governors approve West Chester University's acquisition of the property at 887 South Matlack Street, West Goshen Township, Pennsylvania.

Supporting Documents Included: Property Map and Photo

Other Supporting Documents Available: Real Property Acquisition Planning Data

Reviewed by: West Chester University's Council of Trustees, January 5, 2012

Prepared by: James S. Dillon

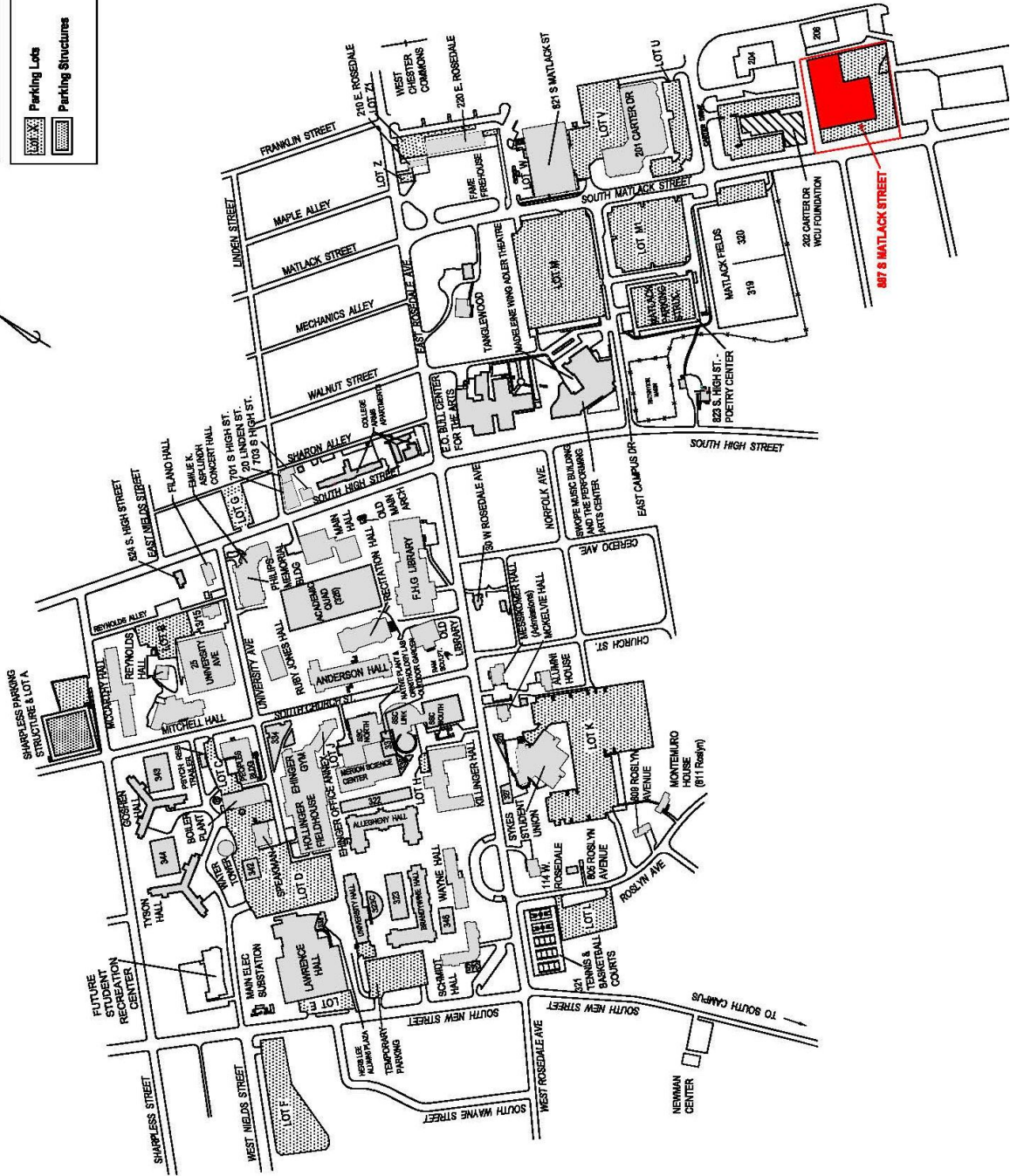
Telephone: (717) 720-4100



North Campus

 Parking Lots
 Parking Structures

July 2011





**887 South Matlack Street
West Goshen Township, Pennsylvania**

Finance, Administration, and Facilities Committee Meeting

January 18, 2012

SUBJECT: 2011/12 Educational and General Appropriation Freeze (INFORMATION)

UNIVERSITIES AFFECTED: All

BACKGROUND: On January 5, 2012, Chancellor Cavanaugh received the attached letter from Governor Tom Corbett requesting that PASSHE set aside \$20,638,000, or 5.0%, of its appropriations in case state revenues do not improve and a Commonwealth budget reduction in the current fiscal year is necessary. To do so requires Board action. The Governor has indicated that, in the event PASSHE is not required to return all or part of the funds, the remainder will be freed at the end of the year or sooner.

Supporting Documents Included: Letter from Governor Tom Corbett dated January 4, 2012

Other Supporting Documents Available: "2011-12 Budgetary Freeze Amounts (Jan. 4, 2012)" on the Commonwealth of Pennsylvania's Office of Budget website at http://www.budget.state.pa.us/portal/server.pt/community/current_and_proposed_commonwealth_budgets/4566

Reviewed by: N/A

Prepared by: James S. Dillon

Telephone: (717) 720-4100



COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR
HARRISBURG

THE GOVERNOR

January 4, 2012

Mr. John Cavanaugh
Pennsylvania State System of Higher Education
2986 North Second Street
Harrisburg, PA 17110

Dear Mr. Cavanaugh:

Through the first half of the current 2011-12 fiscal year, the commonwealth's General Fund revenues are \$486.8 million below estimate. Our latest projections indicate it is unlikely that revenue collections will improve significantly by the end of the fiscal year.

In light of this revenue shortfall, it is imperative that we act now to mitigate the negative consequences on the current-year budget and the upcoming 2012-13 budget. Therefore, I have directed agencies under my jurisdiction to freeze current-year spending by placing a total of nearly \$160 million into budgetary reserve. To accomplish this, between 1 percent and 10 percent of the enacted appropriation amount on most discretionary line items will be placed into budgetary reserve.

We must all work together to keep the commonwealth's fiscal house in order. For that reason, I am writing to ask that you make the same sacrifice as the agencies under my jurisdiction. I would like you to review your organization's 2011-12 budget and freeze five percent of discretionary spending for lapse back to the General Fund before the end of the fiscal year.

I realize reducing your budget halfway through the fiscal year is not an easy task, but cooperation from every commonwealth agency is essential to address the revenue shortfall and reduce the budget gap we will likely confront in 2012-13. If General Fund revenues improve in the months ahead and we determine funds no longer have to be frozen, I will notify you to free up all or a portion of the funds placed in reserve.

Please respond to Budget Secretary Charles Zogby by January 13, 2012 with your agency's plan to meet this budget reduction goal. Thank you for your cooperation in this critical effort.

Sincerely,

A handwritten signature in black ink that reads "Tom Corbett".

TOM CORBETT
Governor

cc: Honorable Charles B. Zogby

Finance, Administration, and Facilities Committee Meeting

January 18, 2012

SUBJECT: Demolition of 350 Normal Street, Hawthorn Residence Hall, and Hemlock Residence Hall, East Stroudsburg University of Pennsylvania (INFORMATION)

UNIVERSITIES AFFECTED: East Stroudsburg University of Pennsylvania

BACKGROUND: East Stroudsburg University intends to demolish 350 Normal Street, Hawthorn Residence Hall, and Hemlock Residence Hall. These buildings are proposed for demolition in the implementation of Phase 2 of East Stroudsburg University's on-campus Housing Replacement Plan.

The buildings at 350 Normal Street include a 4,500-square-foot, two-story, brick-over-wood frame building constructed as a single family residence in 1902 and a detached 360-square-foot storage building. The main building at the site has been used as the University Police Station and has received such extensive renovations and modifications that the building has little historical value.

Hawthorn Residence Hall is a 324-bed, 71,000-square-foot, seven-story, brick and masonry block residence hall constructed in 1966. Hemlock is a 327-bed, 68,000-square-foot, six-story, brick and masonry block residence hall constructed in 1971. Like most residence halls constructed during that time, they are beyond their useful life, not desired by students, and not cost effective to renovate or reconfigure.

The University's Council of Trustees is aware of the plan to demolish the buildings. Upon approval by the Council of Trustees, PASSHE will request approval for demolition from the Department of General Services.

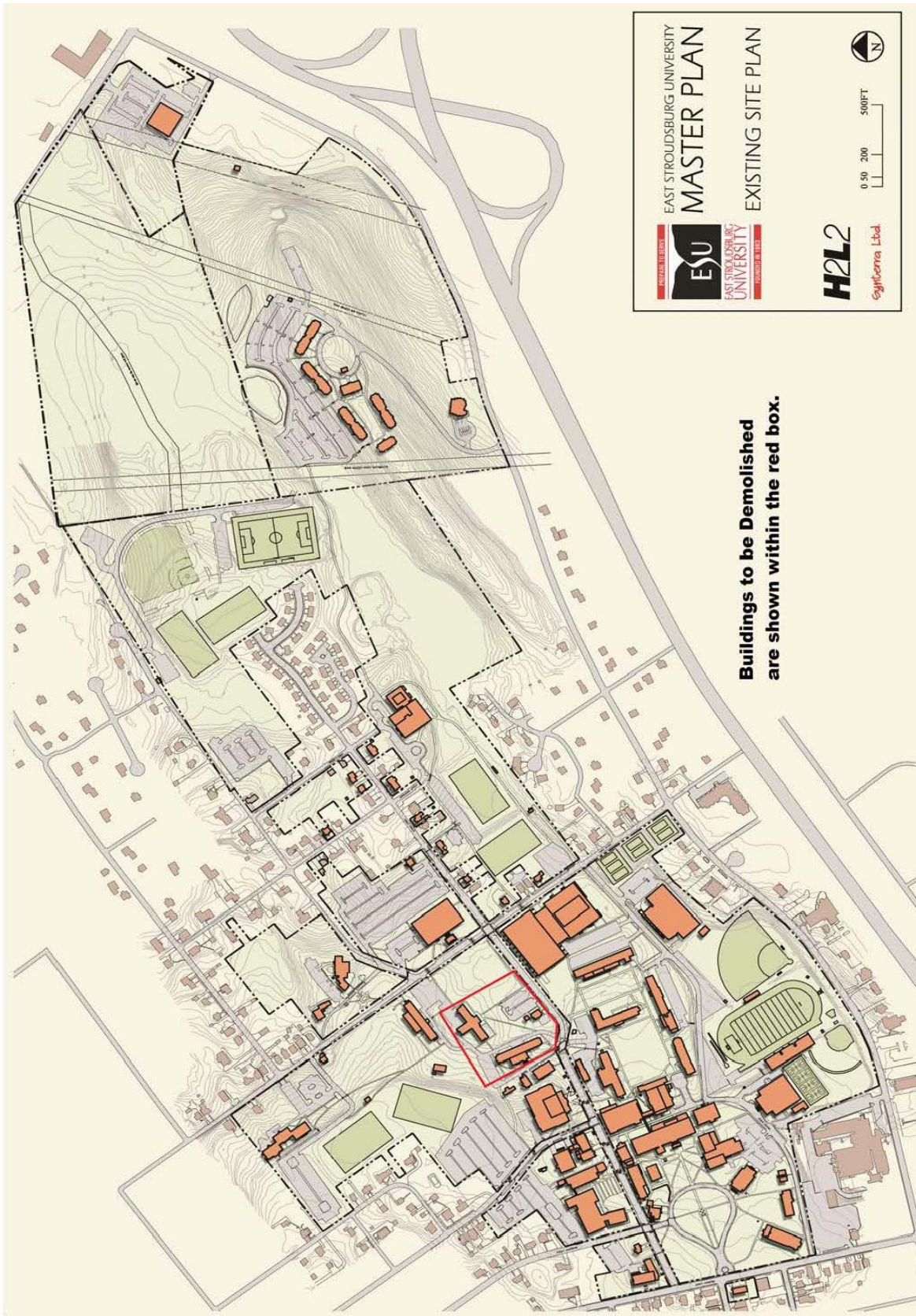
Supporting Documents Included: Property Map and Photos

Other Supporting Documents Available: Project Planning Documentation

Reviewed by: N/A

Prepared by: James S. Dillon

Telephone: (717) 720-4100



**Buildings to be Demolished
are shown within the red box.**

East Stroudsburg University of Pennsylvania



**350 Normal Street (University Police Station)
East Stroudsburg University of Pennsylvania**



**350 Normal Street Storage Building
East Stroudsburg University of Pennsylvania**



**Hawthorn Residence Hall
East Stroudsburg University of Pennsylvania**



**Hemlock Residence Hall
East Stroudsburg University of Pennsylvania**

Finance, Administration, and Facilities Committee Meeting

January 18, 2012

SUBJECT: Demolition of Alumni House, Beecher House, and Doane Center, Mansfield University of Pennsylvania (INFORMATION)

UNIVERSITIES AFFECTED: Mansfield University of Pennsylvania

BACKGROUND: Mansfield University intends to demolish Alumni House, Beecher House, and Doane Center. These buildings are proposed for demolition in the implementation of Phase 2 of Mansfield University's Housing Master Plan.

Alumni House is a 4,640-square-foot, two-story, wood frame building constructed in 1954. Beecher House is a 3,870-square-foot, one-story, wood frame building constructed in 1953. Doane Center is a 7,900-square-foot, two-story, concrete and masonry building constructed in 1968.

Demolition of the buildings will require approval from the Department of General Services.

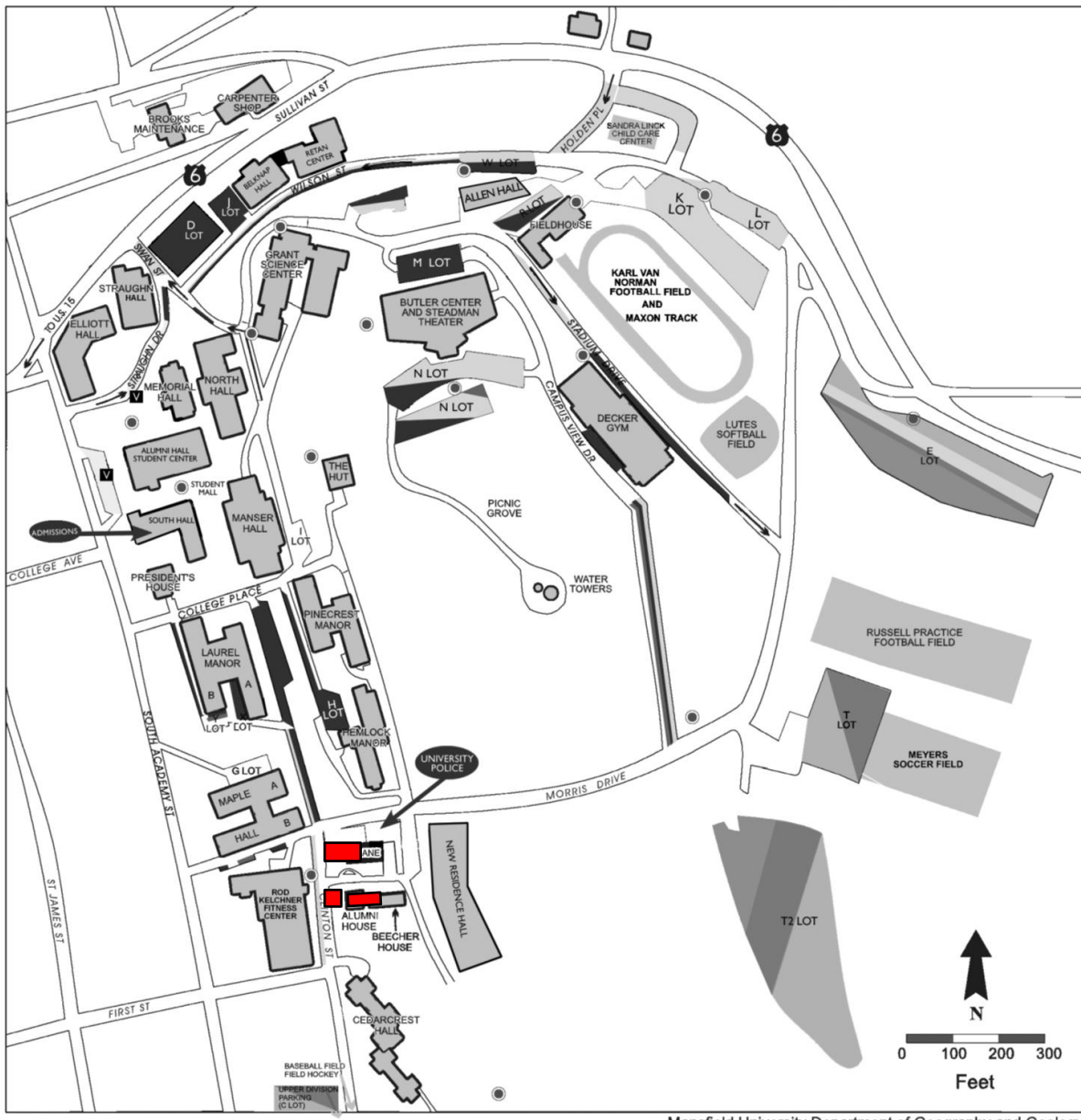
Supporting Documents Included: Property Map and Photos

Other Supporting Documents Available: Project Planning Documentation

Reviewed by: Mansfield University's Council of Trustees, December 15, 2011

Prepared by: James S. Dillon

Telephone: (717) 720-4100



Mansfield University Department of Geography and Geology

Mansfield University of Pennsylvania



Alumni House
Mansfield University of Pennsylvania



Beecher House
Mansfield University of Pennsylvania



**Doane Center
Mansfield University of Pennsylvania**



Human Resources Committee Meeting

Boardroom, First Floor
Administration Building
Dixon University Center
2986 North Second Street
Harrisburg, PA 17110-1201

Wednesday, January 18, 2012

Agenda

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| 1. Collective Bargaining Agreement for Security, Police, Fire Professionals of America (SPFPA) (ACTION) | 115 |
| 2. Collective Bargaining Agreement for Pennsylvania Social Service Union (PSSU) (ACTION) | 118 |
| 3. Collective Bargaining Agreement for Pennsylvania Doctors' Alliance (PDA) (ACTION) | 121 |



Committee Members: Marie Conley Lammando (*Chair*), Jennifer G. Branstetter (designee for Governor Thomas W. Corbett), Ronald G. Henry, Kenneth M. Jarin, Harold C. Shields, Aaron A. Walton, and Guido M. Pichini (*ex officio*).

For further information, contact Peter H. Garland at (717) 720-4010.

Human Resources Committee Meeting

January 18, 2012

SUBJECT: Collective Bargaining Agreement for Security, Police, Fire Professionals of America (SPFPA) (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: In accordance with Act 188 of 1982, as amended, Section 20-2005-A, the Office of the Chancellor of the Pennsylvania State System of Higher Education and the Security, Police, Fire Professionals of America (rank and file and first-level supervisors' Locals 502 and 506) completed negotiations of a new agreement for the period September 1, 2011 through August 31, 2014. The attached summary details the key changes that resulted from collective bargaining.

MOTION: That the Board of Governors ratify the agreement with SPFPA and authorize the Chancellor and the Chairman to sign the appropriate documents.

Supporting Documents Included: Summary of Changes

Other Supporting Documents Available: N/A

Reviewed by: Peter Garland

Prepared by: Gary K. Dent

Telephone: (717) 720-4158

Security, Police, Fire Professionals of America (SPFPA) Ratified Agreement Main Points Summary

Term of Agreement

September 1, 2011 through August 31, 2014

Wage Increments

July 2012 – 2.25%

July 2013 – 2.25%

July 2014 – 2.25%

Court Time

- Reduce minimum payment of court time from three (3) hours to one (1) hour.

Overtime

- Suspend any payment of double time overtime during term of this agreement.

Shift Differential

- November 5, 2011 – October 31, 2012 reduce from \$1.00 per hour to \$0.00 per hour.
- November 3, 2012 – October 31, 2013 increase from \$0.00 per hour to \$0.25 per hour.
- November 2, 2013 – August 31, 2014 increase from \$0.25 per hour to \$1.00 per hour.

Health Care

- Eliminate HMO plans as of July 1, 2012.
- Acceptance of "me too" language of health care for active employees, future annuitants, and annuitants to coverage provided to management. Coverage does not include domestic partners.

Grievances

- Develop an Accelerated Grievance Procedure by September 1, 2012 to include the services of a state mediator for all suspension and discharge grievances.

**Security, Police, Fire Professionals of America (SPFPA) Ratified Agreement
Main Points Summary (continued)**

Probationary Employees

- Extend the probationary period for newly hired employees from 180 days to 365 days.

Miscellaneous

- Develop through a joint SPFPA/PASSHE committee a police specific employee performance evaluation.
- Develop through a joint SPFPA/PASSHE committee training recommendations for employees covered by SPFPA.
- Develop through a joint SPFPA/PASSHE committee recommendations for possible regionalization of services and/or cost saving measures in the Public Safety Offices.

Human Resources Committee Meeting

January 18, 2012

SUBJECT: Collective Bargaining Agreement for Pennsylvania Social Service Union (PSSU) (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: In accordance with Act 188 of 1982, as amended, Section 20-2005-A, the Office of the Chancellor of the Pennsylvania State System of Higher Education and the Pennsylvania Social Service Union Local 668 SEIU completed negotiations of a new agreement for the period July 1, 2011 through June 30, 2015. The attached summary details the key changes that resulted from collective bargaining.

MOTION: That the Board of Governors ratify the agreement with PSSU and authorize the Chancellor and the Chairman to sign the appropriate documents.

Supporting Documents Included: Summary of Changes

Other Supporting Documents Available: N/A

Reviewed by: Peter Garland

Prepared by: Gary K. Dent

Telephone: (717) 720-4158

**Commonwealth / PSSU Tentative Agreement
Main Points Summary**

Term of Agreement

July 1, 2011 through June 30, 2015

Wages

General Pay Increases

July 1, 2012 - 1.0 %
July 1, 2013 - 0.5%
January 1, 2014 - 0.5%
July 1, 2014 - 2.0%

Increments

April 6, 2013 - 2.25%
April 5, 2014 - 2.25%
January 10, 2015 - 2.25%

Sick and Bereavement Leave

- Reduction from 13 days accrual per year to 11 days accrual per year
- If employee does not use any sick leave within a leave calendar year, they will earn an additional personal day to use the following leave calendar year

Vacation Leave

- Employees hired on or after 7/1/2011 will have a maximum cap of 20 days of annual leave to accrue after 15 years of service. Employees hired before 7/1/2011 can accrue up to 26 days.

**Commonwealth / PSSU Tentative Agreement
Main Points Summary Continued**

Health Benefits

| Fiscal Year | Employer Contribution | Employee Contribution | Employee Get Healthy Waiver Contribution |
|--------------------|------------------------------|-------------------------------|---|
| 2011 – 2012 | \$375 biweekly per employee | 3.0% of biweekly gross Salary | 1.5% of biweekly gross Salary |
| 2012 – 2013 | \$390 biweekly per employee | 3.0% of biweekly gross Salary | 1.5% of biweekly gross Salary |
| 2013 – 2014 | \$425 biweekly per employee | 3.0% of biweekly gross Salary | 1.5% of biweekly gross Salary |
| 2014 – 2015 | \$455 biweekly per employee | 5.0% of biweekly gross Salary | 2.0% of biweekly gross Salary |

Annuitant Health Benefits

- Annuitant contribution based on percentage of employee’s final average salary as determined by SERS for pension purposes and shall remain at 3.0% for employees that retire on or after July 1, 2011.
- Effective January 1, 2012 annuitant contribution for those who become eligible for Medicare will be reduced from 3.0% to 1.5% of salary.

Classification

- Expedited Grievance Procedure established where Agency HR responds at Step 1 and Office of Administration responds at Step 2.

Human Resources Committee Meeting

January 18, 2012

SUBJECT: Collective Bargaining Agreement for Pennsylvania Doctors' Alliance (PDA)
(ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: In accordance with Act 188 of 1982 as amended Section 20-2005-A, the Office of the Chancellor of the Pennsylvania State System of Higher Education and the Pennsylvania Doctors Alliance (PDA) completed negotiations of a new agreement for the period July 1, 2009 through June 30, 2012. The attached summary details the key changes that resulted from collective bargaining.

MOTION: That the Board of Governors ratify the agreement with PDA and authorizes the Chancellor and the Chairman to sign the appropriate documents.

Supporting Documents Included: Summary of Changes

Other Supporting Documents Available: N/A

Reviewed by: Peter Garland

Prepared by: Gary K. Dent

Telephone: (717) 720-4158

Pennsylvania Doctors Alliance (PDA) Ratified Agreement Main Points Summary

Term of Agreement

July 1, 2009 through June 30, 2012

Wages

- July 1, 2010 - 6% lump sum cash payment of annual base salary, no other salary increase payment made.
- The Pennsylvania State System of Higher Education (PASSHE) and the Pennsylvania Doctors Alliance (PDA) agree to reopen the provisions of the salaries and wage article for negotiations for the period of July 1, 2011 – June 30, 2012.

Quality Assurance Payment

- A Quality Assurance Program (QAP) will be paid for the fiscal year 2010/11 based on qualifying criteria.
- PASSHE and PDA agree to reopen the provisions of the QAP article for negotiations for the period of July 1, 2011 – June 30, 2012.

Holidays

- Effective with the 2011 Leave Calendar Year, add the day after Thanksgiving as a holiday except where a PASSHE University is open.

Personal Days

- Effective with the 2011 Leave Calendar Year, reduce the number of personal days per year from five (5) to four (4) days consistent with proposal to add the day after Thanksgiving as a holiday except for employees at a PASSHE University which remains open.

*A summary of changes was not provided by the Commonwealth of Pennsylvania.



Executive Committee Meeting

Boardroom, First Floor
Administration Building
Dixon University Center
2986 North Second Street
Harrisburg, PA 17110-1201

Wednesday, January 18, 2012

Agenda

| <u>Item</u> | <u>Page</u> |
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| 1. Approval of Board of Governors' Policy 2012-01: <i>Conflict of Interest</i> (ACTION) | 124 |



Committee Members: Guido M. Pichini (*Chair*), Marie Conley Lammando, Ronald G. Henry, Jonathan B. Mack, C.R. "Chuck Pennoni", and Aaron A. Walton.

For further information, contact Peter H. Garland at (717) 720-4010.

Executive Committee Meeting

January 18, 2012

SUBJECT: Approval of Board of Governors' Policy 2012-01: *Conflict of Interest* (ACTION)**UNIVERSITIES AFFECTED:** All

BACKGROUND: As a Commonwealth entity, the System employs individuals who are subject to the conflict of interest prohibitions of the Public Official and Public Employee Ethics Act (Ethics Act). A violation of the conflict of interest provisions can result in criminal prosecution. Even an unintentional conflict of interest under the Ethics Act can result in a public official or public employee having to pay *substantial financial penalties*. Based upon both the potential liability for violations of the Ethics Act, as well as the need to address appearance issues, it is important for all System employees to avoid conflicts of interest in the performance of their public powers and duties under the Ethics Act.

This Policy implements a process for System employees who are subject to the Ethics Act from being involved in a situation that could result in their having criminal or civil penalties imposed against them for their actions; and also establishes a mechanism to address potential conflicts of interest that may not be actual violations of the Ethics Act, but should be addressed in order to ensure public trust and accountability.

MOTION: That the Board of Governors approve Board Policy 2012-01: *Conflict of Interest*.

Supporting Documents Included: Board of Governors' Policy 2012-01: *Conflict of Interest*

Other Supporting Documents Available: N/A

Reviewed by: N/A

Prepared by: Leo Pandeladis

Telephone: 717-720-4035



PA State System of Higher Education Board of Governors

Effective: January 19, 2012

Page 1 of 4

POLICY 2012-01: Conflict of Interest

See Also:

Adopted: January 19, 2012

A. Purpose

To establish a conflict of interest protocol for the Office of the Chancellor and the Universities of the Pennsylvania State System of Higher Education so a preexisting mechanism to address conflicts of interest is in place when a conflict of interest may arise.

B. Background

The Pennsylvania State System of Higher Education is a Commonwealth entity that employs individuals who are public officials or public employees under the Public Official and Public Employee Ethics Act (Ethics Act). The Ethics Act prohibits a public official or employee from taking action that would result in a conflict of interest under the Ethics Act. In addition, the Ethics Act prohibits the delegation of authority subsequent to a conflict of interest. It is important for all System employees to avoid conflicts of interest in the performance of their public powers and duties under the Ethics Act. System employees may not use the authority of their employment, or any confidential information received as a System employee, for their private pecuniary benefit or for the private pecuniary benefit of a member of their immediate family, or a business with which the employee or a member of their immediate family is associated. A System employee also has a conflict of interest with respect to a person or entity with whom or with which he has a reasonable and legitimate expectation of forming a business relationship. In order to eliminate these issues, the Board of Governors is establishing this policy so that conflicts of interests may be properly identified and adequately addressed by employees of the System.

C. Policy

This policy establishes a process to address those instances where an actual conflict of interest under the Ethics Act arises as well as instances where an appearance of a conflict may arise. This Policy is intended to serve as guidance and provide direction to System employees in assessing and determining the

actions that they must take to avoid conflicts of interest under the Ethics Act. In addition, it provides direction in addressing those instances where a legal conflict of interest may not exist but an appearance of conflict should be avoided.

D. Definitions

The following words and terms, when used in this policy shall have the following meanings unless the context clearly indicates otherwise:

"*Associated with any business*" Any business, including any non-profit entity, of which the public official, public employee or immediate family member is a director, officer, owner, employee or has a financial interest. In addition, the State Ethics Commission has determined that a person is associated with a business that is a client or customer of the person or a client or customer of a business with which the person is associated, or under circumstances in which it is reasonably anticipated that a person or business will become a client or customer of any of such businesses.

The "*authority of office or employment*" is the actual power provided by law, the exercise of which is necessary to the performance of duties and responsibilities unique to a particular public office or position of public employment.

A "*business*" includes any corporation, partnership, sole proprietorship, firm, enterprise, franchise, association, organization, self-employed individual, holding company, joint stock company, receivership, trust or any legal entity organized for profit. In addition, per the ruling of the State Ethics Commission a non-profit corporation, association or other entity is a business under the Act.

"*Confidential information*" is information not obtainable from reviewing a public document or from making inquiry to a publicly available source of information.

A "*conflict of interest*" is use by a public official or public employee of the authority of his office or employment or any confidential information received through his holding public office or employment for the private pecuniary benefit of himself, a member of his immediate family, or a business with which the public official/employee or a member of his immediate family is associated. The State Ethics Commission has ruled that it may be a conflict of interest also to use the authority of public office or public employment or confidential information for the private pecuniary benefit of a client or customer of the public official/employee, a member of his immediate family, or a business with which the public official/employee or a member of his immediate family is associated. It is not a conflict of interest, however, if the official's or employee's action has only a *de minimis* economic impact or affects to the same degree a class consisting of an industry, occupation or other group which includes the public official or public employee, a member of his immediate family or a business with which he or a member of his immediate family is associated.

A person has a "*financial interest*" in a business if the business is a legal entity

engaged in business for profit and the person has a financial interest in the business that comprises more than 5% of the equity of the business or more than 5% of the assets of or the economic interest in indebtedness.

An "*immediate family member*" is a parent, spouse, child, brother or sister of a public official or public employee.

A "*public employee*" is an individual employed by the System who is responsible for taking or recommending official action, in a manner that is nonministerial, *i.e.*, involves the exercise of judgment, with regard to:

- (1) contracting or procurement;
- (2) administering or monitoring grants or subsidies;
- (3) auditing or reviewing System operations; or
- (4) any other activity where the official action has an economic impact of greater than a *de minimis* nature on the interests of any person.

A "*public official*" is a person appointed by a governmental body or an appointed official of the government of the Commonwealth.

E. Procedure

In the event that a System employee has a conflict of interest as to one person or entity that is seeking a pecuniary benefit from the System or a System University in competition with others who seek the same limited benefit (such as a contract or position of employment that is to be awarded to a limited number of applicants competing as part of a pool of applicants), the public official or public employee has a conflict of interest as to every applicant in the competitive pool and must fully abstain from the entire matter. Full abstention means that a public official or public employee must be removed and insulated from any involvement in the matter in question, as well as insulated from access to confidential information involving the matter in which the conflict exists. This removal/insulation must extend to supervision, implementation and administration of the activity or program (including employment, grant programs and contracting activities).

1. Chancellor – When the conflict of interest involves the Chancellor, the Chancellor shall provide written notice to the Chair of the Board of Governors and the Chief Counsel about the conflict of interest. The Chancellor will consult with the Chair and the Chief Counsel to determine whether a conflict exists and how the conflict will be addressed. The Chair of the Board shall appoint an individual to whom the Chancellor's authority shall be delegated. The individual to whom responsibility has been designated to perform the powers and duties of the Chancellor shall have full authority to act in place of the Chancellor and to perform in his or her place all official duties and responsibilities that are affected by the conflict of interest. The designee shall carry out those powers and duties without sharing any information with the Chancellor and without the Chancellor's involvement. The designee will notify all principal subordinates and other staff that the Chancellor has a conflict of interest respecting a particular matter or matters and that all

- inquiries comments and actions related to the conflicted matter or matters will be handled by the designee as the final authority on the matter and that individuals should not discuss any aspect of the matter or matters with the Chancellor or provide the Chancellor with any information concerning the matter or matters. The designee performing duties under this conflict of interest protocol will not report to the Chancellor on matters related to the conflict but instead will report directly on such matters to the Chair of the Board of Governors.
2. Presidents - When the conflict of interest involves the President of a University, the President shall provide written notice to the Chancellor, Chair of the University Council of Trustees and the Chief Counsel about the Conflict of Interest. The President will consult with the Chancellor and the Chief Counsel to determine whether a conflict exists and how the conflict will be addressed. The Chancellor may perform the duties of the President or may appoint an individual not employed with the President's University to whom the President's authority shall be delegated. The individual to whom responsibility has been designated to perform the powers and duties of the President shall have full authority to act in place of the President and to perform in his or her place all official duties and responsibilities that are affected by the conflict of interest. The Chancellor or designee shall carry out those powers and duties without sharing any information with the President and without the President's involvement. The Chancellor or the Chancellor's designee will notify all principal subordinates and other University staff that the President has a conflict of interest respecting a particular matter or matters and that all inquiries comments and actions related to the conflicted matter or matters will be handled by the Chancellor or designee as the final authority on the matter and that individuals should not discuss any aspect of the matter or matters with the President or provide the President with any information concerning the matter or matters. A designee performing duties under this conflict of interest protocol will report directly on such matters to the Chancellor or designee. The Chancellor shall apprise the Board of Governors and the University Council of Trustees of the results of a matter handled under this protocol.
 3. Other System Employees - When a conflict of interest involves an employee other than the Chancellor or the President of a University, the employee shall provide written notice to their immediate supervisor and the legal office. The supervisor and legal office will determine whether the concerns are valid and, if validated, assure that necessary and appropriate actions are taken to remedy or avoid the conflict of interest or potential for conflict of interest by identifying a substitute to perform the functions of the employee with the conflict. The conflicted employee's supervisor will notify all principal subordinates and other staff that the identified individual has a conflict of interest respecting a particular matter or matters and that all inquiries comments and actions related to the conflicted matter or matters will be handled by the named substitute as the final authority on the matter and that individuals should not discuss any aspect of the matter or matters with the conflicted individual or provide the conflicted individual with any information concerning the matter or matters.



Board of Governors

Quarterly Meeting of the Board of Governors
Pennsylvania State System of Higher Education

Boardroom, First Floor
Administration Building
Dixon University Center
2986 North Second Street
Harrisburg, PA 17110-1201

Thursday, January 19, 2012
9:00 a.m.

Agenda

Call to Order and Roll Call of the Members

Pledge of Allegiance

Approval of the Minutes of the October 6, 2011, December 6, 2011, December 16, 2011,
and January 5, 2012 Meetings

Remarks of the Chair Chairman Guido M. Pichini

Report of the Chancellor Dr. John C. Cavanaugh

Public Comments

Committee Reports with Related Actions

- A. Academic and Student Affairs** Mr. Aaron A. Walton
1. Approval of a Bachelor of Applied Science Degree Program in Technical Leadership at Bloomsburg University of Pennsylvania
 2. Approval of a Bachelor of Science Degree Program in Allied Health Leadership at Clarion University of Pennsylvania
 3. Approval of a Master of Arts in Teaching Degree Program in Science Education at Shippensburg University of Pennsylvania

4. Revisions to Board of Governors' Policy 1985-01-A: *Requirements for Initiation or Change of Credit-Based Academic Programs* and Board of Governors' Policy 1990-06-A: *Academic Degrees*

B. External Relations Mr. Jonathan B. Mack

1. Advocacy Update
2. Legislative Update

C. Finance, Administration, and Facilities.....Mr. C.R. "Chuck" Pennoni

1. Nonresident Tuition Plans
2. Revisions to Board of Governors' Financial Policies
3. Revisions to Board of Governors' Procurement and Facilities Management Policies
4. Board of Governors' Investment Policy Review by Independent Investment Consultant
5. Natali Student Center Renovation and Expansion, California University of Pennsylvania
6. Dining Hall Renovation and Construction, Indiana University of Pennsylvania
7. Property Acquisition, West Chester University of Pennsylvania
8. 2011/12 Educational and General Appropriation Freeze
9. Demolition of 350 Normal Street, Hawthorn Residence Hall, and Hemlock Residence Hall, East Stroudsburg University of Pennsylvania
10. Demolition of Alumni House, Beecher House, and Doane Center, Mansfield University of Pennsylvania

D. Human Resources Ms. Marie Conley Lammando

1. Collective Bargaining Agreement for Security, Police, Fire Professionals of America (SPFPA)
2. Collective Bargaining Agreement for Pennsylvania Social Service Union (PSSU)
3. Collective Bargaining Agreement for Pennsylvania Doctors' Alliance (PDA)

E. Executive Chairman Guido M. Pichini

1. Approval of Board of Governors' Policy 2012-01: *Conflict of Interest*

Board Action Chairman Guido M. Pichini

1. Standing Committee Assignments
2. Resolution:
 - Robert M. Smith
3. Consolidated University Operations

Other Business Chairman Guido M. Pichini

Announcements

Adjournment



Board Members: Guido M. Pichini (*Chair*), Leonard B. Altieri III, Representative Matthew E. Baker, Jennifer G. Branstetter (designee for Governor Thomas W. Corbett), Marie Conley Lammando (*Vice Chair*), Governor Thomas W. Corbett, Sarah C. Darling, Representative Michael K. Hanna, Ronald G. Henry, Kenneth M. Jarin, Bonnie L. Keener, Jonathan B. Mack, Joseph F. McGinn, C.R. "Chuck" Pennoni, Senator Jeffrey E. Piccola, Harold C. Shields, Robert S. Taylor, Secretary Ronald J. Tomalis, Aaron A. Walton (*Vice Chair*), and Senator John T. Yudichak.

For further information, contact Peter H. Garland at (717) 720-4010.

Board of Governors' Meeting

January 18, 2012

SUBJECT: Standing Committee Assignments (ACTION)

UNIVERSITIES AFFECTED: All

BACKGROUND: To complete assignment of Board members to the Committees of the Board.

MOTION: That the Board of Governors approve the Standing Committee Assignments as shown in the *Standing Committee Assignments* document distributed at the Quarterly Board meeting, effective January 19, 2012.

Supporting Documents Included: N/A

Other Supporting Documents Available: *Standing Committee Assignments*

Reviewed by: N/A

Prepared by: Peter H. Garland

Telephone: (717) 720-4010

Board of Governors' Meeting

January 18, 2012

SUBJECT: Consolidated University Operations (INFORMATION)

UNIVERSITIES AFFECTED: All

BACKGROUND: Discuss the role of the Council of Trustees regarding Consolidated University Operations.

Supporting Documents Included: N/A

Other Supporting Documents Available: N/A

Reviewed by: N/A

Prepared by: Peter H. Garland

Telephone: (717) 720-4010