

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

**Meeting Minutes**

214th Meeting  
Tuesday, June 30, 2015  
Boardroom  
Administration Building  
2986 North Second Street  
Harrisburg, PA 17110-1201

10:00 a.m.

**ATTENDING**

**Board of Governors:**

Theresa L. Barnaby (Secretary of Education designee)  
Marie Conley  
Sarah E. Galbally, (Governor Wolf's designee)  
Thomas J. Gombar (Senator Schwank's designee) (via phone)  
Ronald G. Henry  
Jonathan B. Mack  
David M. Maser  
Daniel P. Meuser  
Guido M. Pichini (Chair)  
Chad G. Reichard (Senator Alloway's designee) (via phone)  
Robert S. Taylor  
Adam N. Wagonseller (Representative Hanna's designee) (via phone)  
Aaron A. Walton

Senator Richard L. Alloway, II, Representative Matthew E. Baker, Jane M. Earll, Christopher H. Franklin, Representative Michael K. Hanna, Secretary Pedro A. Rivera, Senator Judith L. Schwank, and Harold C. Shields were absent.

**Office of the Chancellor:**

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

Also in attendance from the Office of the Chancellor: Alicia A. Brumbach, Ginger S. Coleman, Steven R. Dupes, Audrey J. Guistwhite, Gloria F. Hess, Jennifer E. Hoover-Vogel, Lois M. Johnson, Kenneth D. Marshall, Dennis H. Mathes, Sue Mukherjee, Charlotte L. Osmolenski, Georgia K. Prell, Lisa A. Sanno, Victoria L. Sanders, Joel M. Snavelly, and Dean A. Weber.

Also in attendance: Jennifer S. Hartman, Chief Executive Officer, PASSHE Foundation Board.

University Presidents in attendance: John M. Anderson, Michael A. Driscoll, Michael Fiorentino, Jr., George F. "Jody" Harpster, Kenneth S. Hawkinson, Francis L. Hendricks, Interim President Geraldine M. Jones, Cheryl J. Norton, Interim President Frank G. Pogue, David L. Soltz, Greg R. Weisenstein, Marcia G. Welsh, and Karen M. Whitney. President Julie E. Wollman participated via conference call.

Chairman Pichini called the meeting to order at 10:05 a.m.

Attendance taken at the direction of the Chairman established that a quorum of the Board was not present. At 10:45 a.m. there was a quorum of the Board.

The Pledge of Allegiance was recited by those in attendance.

### **THE CHAIR'S COMMENTS INCLUDED THE FOLLOWING HIGHLIGHTS.**

- This meeting is an extra day to the July quarterly meeting
- University Action Plans (Millersville, Indiana, and East Stroudsburg Universities of Pennsylvania will be presented today)
- Welcomed President Kenneth S. Hawkinson, new president at Kutztown University
- The Human Resources Committee will convene in executive session Tuesday, June 30, to review personnel matters
- The Board will reconvene as a full Board on July 8 for the University Action Plan presentations from Bloomsburg, California, Cheyney, Clarion, Edinboro, Kutztown, Lock Haven, Mansfield, Shippensburg, Slippery Rock, and West Chester Universities
  - Webcast link for July 8, 2015 – University Action Plans
    - <http://ducmediasite.passhe.edu/Mediasite/Play/01552ce48a864d5f8f280fd374f0ca841d>
- The Board will reconvene on July 9 to hold its regular quarterly business meeting to consider the remainder of the items on the agenda

### **PUBLIC COMMENTS**

Public comments were provided by Dr. Kenneth Mash on behalf of APSCUF. (Attachment #1)

### **COMMITTEE REPORTS WITH RELATED ACTIONS**

#### **A. Finance, Administration, and Facilities Committee**

Governor Henry presented the report on behalf of the Finance, Administration, and Facilities Committee. The Committee reviewed four information items: Sullivan Hall Demolition, Lock Haven University of Pennsylvania (Attachment #2); Bucks House Demolition, Millersville University of Pennsylvania (Attachment #3); Fiscal Year 2015/16 Operating Budget Update; and Shared Services.

Governor Henry noted that the Committee had six action items to recommend to the Board for approval.

Governor Henry moved **THAT THE BOARD OF GOVERNORS APPROVE CALIFORNIA UNIVERSITY OF PENNSYLVANIA'S ACQUISITION OF ON-CAMPUS STUDENT RESIDENCE HALLS FROM STUDENT ASSOCIATION, INCORPORATED, AND BOND FINANCING OF THE CURRENT DEBT.** (Attachment #4)

The motion passed unanimously. Vote: 9 YES; 0.NO

Governor Henry moved **THAT THE BOARD OF GOVERNORS ADOPT THE ATTACHED RESOLUTION AUTHORIZING THE ISSUANCE OF BONDS.** (Attachment #5)

The motion passed unanimously. Vote: 9 YES; 0 NO

Governor Henry moved **THAT THE BOARD OF GOVERNORS APPROVE AN ADDITIONAL LINE OF CREDIT FOR CHEYNEY UNIVERSITY OF PENNSYLVANIA IN THE AMOUNT OF \$6.5 MILLION.** (Attachment #6)

The motion passed unanimously. Vote: 8 YES; 0 NO

Governor Henry moved **THAT THE BOARD OF GOVERNORS APPROVE LOCK HAVEN UNIVERSITY OF PENNSYLVANIA'S ACCEPTANCE OF A DONATION FROM THE LOCK HAVEN UNIVERSITY FOUNDATION OF PROPERTY AT 524 WEST CHURCH STREET, LOCK HAVEN, PENNSYLVANIA, KNOWN AS CAMPUS VILLAGE APARTMENTS.** (Attachment #7)

The motion passed unanimously. Vote: 9 YES; 0 NO

Governor Henry moved **THAT THE BOARD OF GOVERNORS APPROVE A ONE-YEAR EXTENSION OF EDINBORO UNIVERSITY OF PENNSYLVANIA'S TUITION FLEXIBILITY PILOT FOR OUT-OF-STATE TUITION, THROUGH SUMMER 2017.** (Attachment #8)

The motion passed unanimously. Vote: 9 YES; 0 NO

Governor Henry moved **THAT THE BOARD OF GOVERNORS APPROVE PROPOSED POLICY 2015-XX: VETERANS' IN-STATE TUITION BENEFITS.** (Attachment #9)

The motion passed unanimously. Vote: 8 YES; 0 NO.

## **B. Academic and Student Affairs Committee**

Governor Conley presented the report on behalf of the Academic and Student Affairs Committee. The Committee reviewed three information items: Strategic Discussions with the Finance, Administration, and Facilities Committee; Prior Learning Assessments for Active Duty and Veteran Service Members; and Program Fees for New High-Cost Academic Programs.

### **University Action Plans**

For the first time in the State System's history, all universities have developed multi-year action plans that outline the institutions' goals and aspirations, strategic priorities, challenges, and opportunities. The following three action plans were presented by university leadership.

1. **Millersville University of Pennsylvania**
  - John M. Anderson, President
  - Michael G. Warfel, Council of Trustees Chair
  - Vilas Prabhu, Provost and Vice President for Academic Affairs
  - Roger V. Bruszewski, Vice President for Finance and Administration
  
2. **Indiana University of Pennsylvania**
  - Michael A. Driscoll, President
  - Jonathan B. Mack, Council of Trustees Vice Chair
  
3. **East Stroudsburg University of Pennsylvania**
  - Marcia G. Welsh, President
  - Patrick L. Ross, Council of Trustees Chair
  - Kenneth Long, Vice President for Administration and Finance

## **ADJOURNMENT**

There being no further items of business to come before the Board, the Chairman adjourned the meeting at 2:35 p.m.

Executive Session convened at 2:37 p.m.

Executive Session adjourned at 4:50 p.m.

Information was shared during Executive Session, however, no action was taken.

ATTEST: \_\_\_\_\_  
Randy A. Goin, Jr.  
Chief of Staff

The webcast link for the June 30, 2015 Board meeting.

<http://ducmediasite.passhe.edu/Mediasite/Play/de020eab5b9c46958b8c5220b89646bd1d>

Remarks of Dr. Kenneth M. Mash  
before the Board of Governors  
June 30, 2015  
Whither Cheyney University?

Chairman Pichini, Governors, Chancellor Brogan, University Presidents, and guests. I am Kenneth Mash, and I am the President of the Association of Pennsylvania State College and University Faculties.

A few Januarys ago, around the time of Dr. Martin Luther King's birthday, a group of Cheyney faculty and I asked the members of the Board to pay closer attention to what was happening there. Cheyney University, its students, its faculty and coaches, its mission, and those students it could potentially serve have not left our minds. In fact, for decades the university has been at the forefront of APSCUF's concerns. APSCUF leaders from decades ago have told me that it seems that little has changed at the university.

Cheyney University's problems have been well documented. So well documented that legislators, members of the administration, and average people ask about it routinely. And people consistently ask, "Whose fault is it?"

"The fault, dear Brutus, is not in our stars, but in ourselves."

Too many have turned the other cheek. "They" have allowed things to occur at Cheyney that would not have been acceptable at other universities. "They" have allowed Cheyney students to not have the same opportunities as students at other universities. "They" have allowed the faculty to toil in conditions that would be intolerable at other institutions. That the students, faculty, coaches, and staff there continue to achieve, in some cases in remarkable ways, says something about the underlying spirit of that university. And it says something about a mission that cannot be left to die. "They" is, of course, "we." We all bear responsibility for what has occurred at that university, for none of us should have rested. We have all failed that university.

I understand that the System has sent personnel and resources to Cheyney on several occasions for months on end. I understand that there has been intervention. But those interventions were mere band aids for broad, very serious systemic problems. I understand that the other universities have lent money to Cheyney and will, we hope, again do so. But forcing the university to continually operate under a dependency relationship without a plan for success is not a viable option.

I want to commend Chancellor Brogan and members of this Board for stepping up to the plate and facing the problems head on in a way that has not happened heretofore.

I do believe that he and members of the Board are intent on taking serious action. We have seen the letters that have gone out from the System, Cheyney, and West Chester. And part of it is encouraging. Collaboration truly is one of the great hallmarks of academia, and there is plenty of room for additional collaboration between those two great institutions; it should have been occurring for decades.

Yet APSCUF, outside associations, including national ones, and other interested persons who truly care about the institution are apprehensive. There is a tremendous difference between collaboration and takeover. There is a big difference between empowering an institution and reducing it down to irrelevance. We have questions about the plans, and we look forward to additional conversations.

We are well aware of those who would just as soon close Cheyney University. We are well aware of those who question whether a HBCU has relevance today. Setting aside the cynicism and potential covert racist overtones of those questions, let us all agree that Cheyney's historic mission is as important today as it has ever been.

To deny Cheyney's mission is to deny that the Commonwealth's largest city cries out for a university that can nurture students and ease the path from secondary to higher education.

It is to ignore that there are countless people in the workforce who would like the opportunity to return to college to better their lives.

It is to ignore that that Philadelphia's high school students need help gaining access to dual enrollment opportunities.

It is to ignore that there are opportunities there for advanced technical education.

It is to ignore the opportunities in that city and the surrounding area for articulation agreements with community colleges.

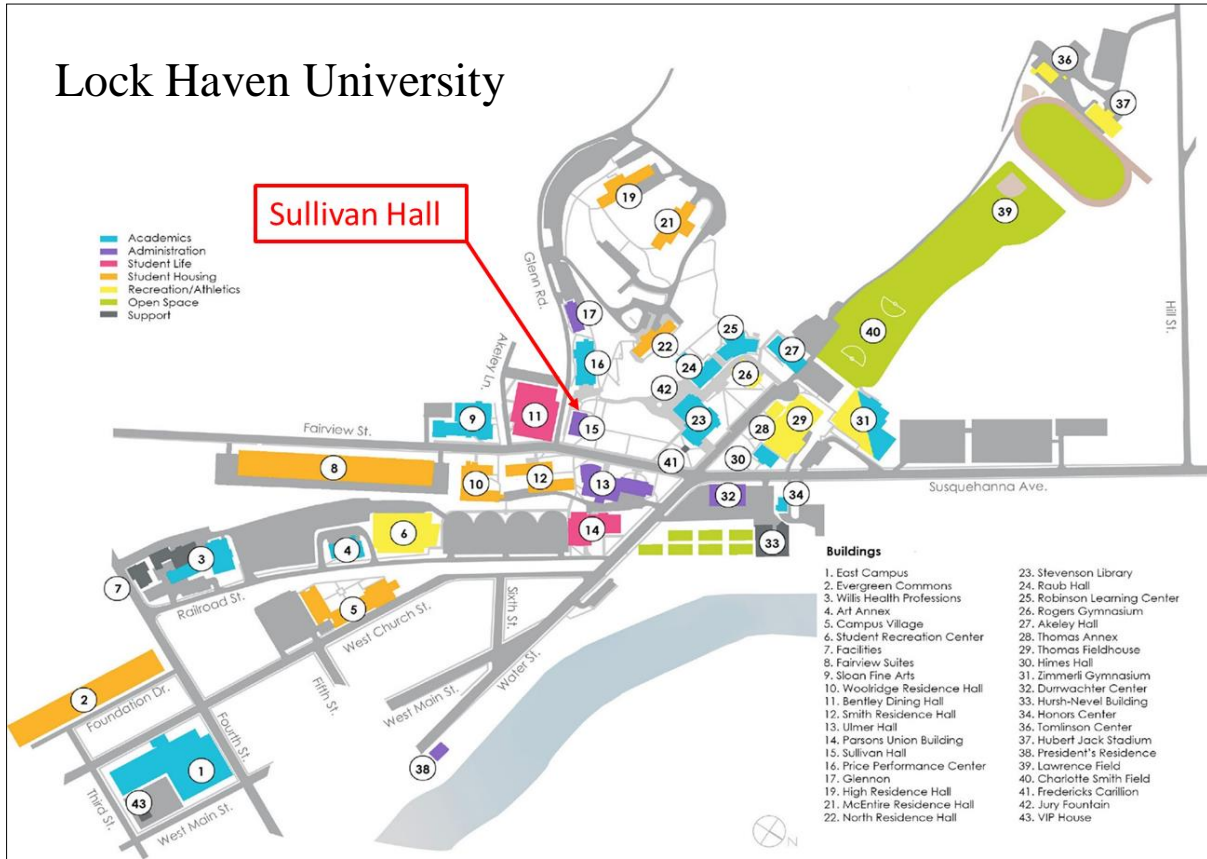
The list could go on....

Enormous potential exists to serve the citizens of the Commonwealth and we have a university ideally suited to work; that the university is underused is nothing short of tragic.

We look forward to the details of the plan. We look forward to answers. But the time has come to not dwell on failure. It is not time to think that saving money at that university is the path to success; institutions cannot save their way out of structural deficits.

The time is now is for bold thinking. It is time for us to embrace even more of Cheyney's mission. It is time for us to see the university for what it is – a tremendous resource for the Commonwealth.

If we fail to do so, the fault, dear Chancellor, Mr. Chairman, Governors, University Presidents, Governor Wolf, Members of the General Assembly, will lie, not in our stars, but in ourselves.



Sullivan Hall  
Lock Haven University of Pennsylvania

# Millersville University

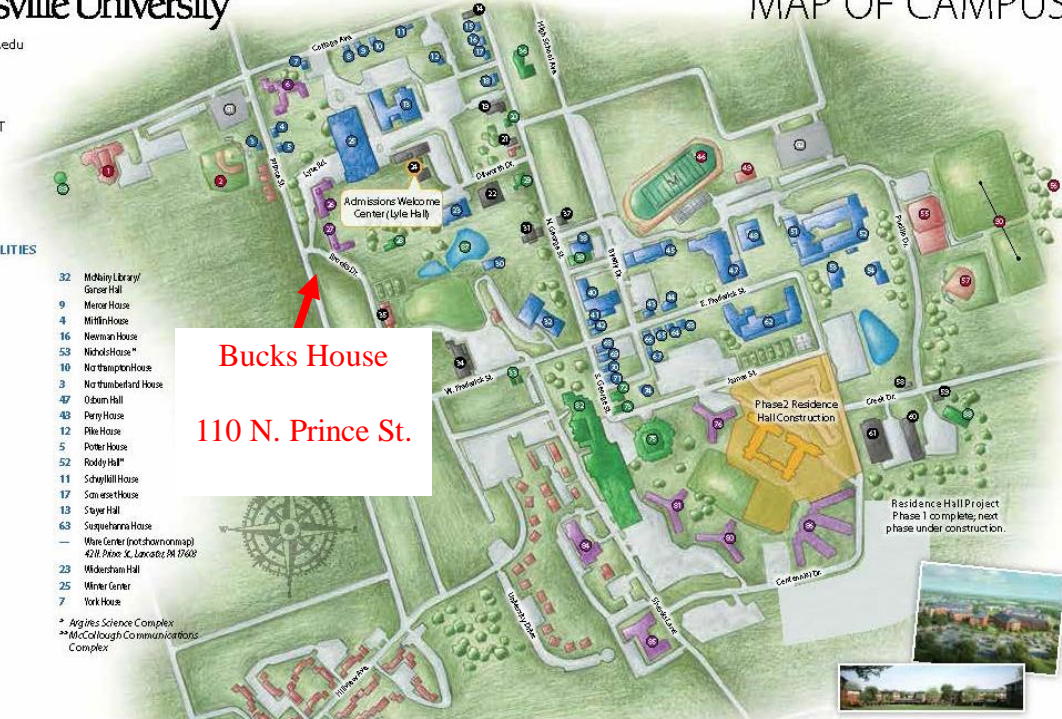
www.millersville.edu  
717-871-4636  
Admissions:  
717-871-4625  
1-800-MU-ADMIT

# MAP OF CAMPUS

### ACADEMIC FACILITIES

- 42 Adams House
- 65 Allegheny House
- 64 Amstrong House
- 40 Beecher Hall\*\*
- 71 Bedford House
- 15 Berks House
- 48 Breidenstine Hall
- 54 Brozman Hall\*\*
- 45 Byerly Hall
- 74 Cambria House
- 51 Caproni Hall\*\*
- 38 Dryden Hall
- 18 Columbia House
- 68 Cumberland House
- 66 Dauphin House
- 30 Drexler Hall
- 41 Franklin House (Honus College)
- 69 Fueter House
- 44 Gether Hall
- 40 Hub Building\*\*
- 70 Huntington House
- 8 Lancaster House
- 67 Luzerne Building
- 62 McCaskey Hall
- 32 Mohr Library/Genese Hall
- 9 Meteor House
- 4 Millin House
- 16 Newman House
- 53 Nichols House\*\*
- 10 Northampton House
- 3 Northumberland House
- 47 Osburn Hall
- 48 Pery House
- 12 Pike House
- 5 Potter House
- 52 Roddy Hall\*\*
- 11 Schuyll House
- 17 Seneca House
- 13 Sayer Hall
- 63 Susquehanna House
- Wine Center (first phase complete) 4211 State St., Lancaster PA 17608
- 23 Wilderthorn Hall
- 25 Winter Center
- 7 York House

**Bucks House**  
**110 N. Prince St.**



### ADMINISTRATIVE BUILDINGS

- 31 Benezette Center
- 60 Bishop Service Building
- 58 Blair House
- 34 Bowe Building
- 21 Ocker House
- 37 Delaware House
- 22 Dvorzh Building
- 19 Duncan Alumni House
- 14 Lebanon House (Police)
- 24 Lyle Hall (Missionary)
- 59 Montgomery House
- 61 Palmer Building

### ATHLETIC FACILITIES

- 46 Benezette Stadium and Olympic Field
- 35 Books Hall
- 49 Carpenter Court Athletic Training Facility
- 2 Cooper Baseball Park
- 1 Johnson Hall
- 90 Rialto Fields
- 55 Rialto Gymnasium
- 56 Ropes Course
- 57 Softball Field

### OTHER FACILITIES

- 29 First United Methodist Church
- 36 St. Paul's Lutheran Church
- 75 Goddard Hall & Edgar Conference Center
- 20 Junius House
- 72 Monroe House
- 33 Philadelphia House
- 88 Pole Barn
- 87 Pond
- 82 Student Memorial Center
- 28 Tonger House
- 73 Washington House
- 89 Water Tower
- 39 Water Health Services

### RESIDENCE HALLS/HOUSING

- 27 Bard Hall
- 80 Dehn Hall
- 81 Harbdt Hall
- 76 Hall Hall
- 6 Gaige Hall
- 26 Gilbert Hall
- 84 Reighard Hall
- 85 Shenks Hall
- 86 South Village

### PARKING GARAGES

- G1 Rinos Street Garage
- G2 Rialto Garage



110 North Prince Street  
Millersville University of Pennsylvania





California University of Pennsylvania Main Campus



Residence Hall E  
California University of Pennsylvania

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

WHEREAS, the State System of Higher Education of the Commonwealth of Pennsylvania (the "System") desires that the Pennsylvania Higher Educational Facilities Authority (the "Authority") issue its State System Revenue Bonds in one or more series of taxable or tax-exempt bonds (the "Bonds") to finance up to \$78 million of project cash to pay the costs of (1) acquiring on-campus student housing from Student Association, Incorporated ("SAI"), at California University of Pennsylvania; and (2) contingency and issuance costs (the "Project"); and

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

WHEREAS, the System may make expenditures relating to clauses (1) and (2) of the definition of the Project contained above prior to issuance of the Bonds, and the System desires to preserve the ability to reimburse itself with proceeds of the Bonds for any amounts expended for the Project; and

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

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

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

NOW, THEREFORE, BE IT RESOLVED, that the Board of Governors of the System (the "Board") hereby approves the issuance of the Bonds by the Authority, in an amount in project cash not to exceed \$78 million for the bonds, the proceeds of which will be used to undertake the Project and pay the costs of issuance of the Bonds; and be it

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

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

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

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

\_\_\_\_\_  
Secretary to the Board

\_\_\_\_\_  
Chairman of the Board

\_\_\_\_\_  
Date

# **Pennsylvania's State System of Higher Education**

## **Taxable/Tax-Exempt Bond Issue History**

**July 2015**

## **Current Debt Structure**

### **Pennsylvania's State System of Higher Education Bond Issues**

The Series A bonds were issued June 1, 1985, at a par value of \$31 million to finance the Indiana University of Pennsylvania cogeneration plant. Scheduled amortization started in June 1988 and was to run through June 1994. Serial interest rates ranged from 6.50 percent to 8.20 percent.

The Series B bonds were issued June 1, 1986, for a par value of \$25.9 million to finance 47 capital projects System-wide. Scheduled amortization started in June 1987 and concluded in June 1994. Serial interest rates ranged from 4.60 percent to 7.10 percent. Series B bonds called for a debt service reserve fund of \$3.9 million to be used to pay the last principal and interest payment. This fund earned an interest rate higher than the cost of borrowing, resulting in realized investment income of \$1 million. Universities with projects that participated in the bond issue received a prorated share of the debt service reserve fund investment income. The Series B issue allowed refinancing of existing capital leases for a savings of \$1.2 million. Also, by financing capital projects, the universities could invest the operating capital in the Short-Term Investment Fund at an interest rate higher than the financing cost, providing investment income and flexibility.

The Series C bonds were issued July 1, 1987, for a par value of \$38.2 million to finance residence halls at Bloomsburg and Kutztown Universities of Pennsylvania and to refund the Series A bonds. Serial interest rates ranged from 4.40 percent to 7.60 percent.

The Series D bonds were issued June 15, 1990, for a par value of \$58.8 million to finance student unions at Clarion, Lock Haven, and Shippensburg Universities of Pennsylvania, and a residence hall at West Chester University of Pennsylvania. This bond issue also provided refinancing of State System internal loans for interest savings of \$1.3 million. The Series D bonds launched the Reimbursement Program, which provided \$17.7 million of capital financing. Serial interest rates ranged from 5.90 percent to 7.15 percent.

The Series E bonds were issued June 15, 1991, for a par value of \$54.8 million to finance student unions at Bloomsburg, California, Clarion, East Stroudsburg, Edinboro, Kutztown, Lock Haven, Millersville, and Shippensburg Universities of Pennsylvania, and a residence hall at West Chester University of Pennsylvania. This bond issue included \$12.3 million of capital reimbursement bonds. Serial interest rates ranged from 4.70 percent to 7.10 percent.

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

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

The Series H bonds were issued May 18, 1993, for a par value of \$15.9 million to finance a computer purchase and energy conservation equipment at various State System universities. This bond issue provided \$13.6 million of capital reimbursement bonds. Serial interest rates ranged from 2.70 percent to 5.80 percent.

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

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

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

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

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

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

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

The Series P bonds were issued February 25, 1998, for a par value of \$72.9 million to refund a portion of the Series F bonds and a portion of the Series L bonds maturing on and after December 15, 2002, and June 15, 2004, respectively. This refunding issue provided present

value savings of \$3.9 million to the State System. Serial interest rates ranged from 3.50 percent to 4.40 percent.

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

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

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

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

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

The Series V bonds were issued August 8, 2002, for a par value of \$25.2 million to finance the acquisition and installation of residence hall sprinklers at all the universities and the continued implementation of the shared administrative computer system. This was the System's first variable rate issue, with terms of 20 years for the sprinklers and 7 years for the shared

administrative computer system. Weekly resets of interest rates and monthly payments of interest are established for this issue.

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

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

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

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

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

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

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



Clarion University of Pennsylvania; continued installation of fire alarm systems at Indiana University of Pennsylvania; and property acquisitions at East Stroudsburg University of Pennsylvania. Serial interest rates range from 2.66 percent to 4.50 percent.

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

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

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

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

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

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

The Series AJ bonds were issued July 9, 2009, for a par value of \$124.0 million to finance auxiliary facilities renovations and construction at Bloomsburg, California, Kutztown, Millersville, Shippensburg, Slippery Rock, and West Chester Universities of Pennsylvania; academic facilities at California, East Stroudsburg, Kutztown, and Millersville Universities of Pennsylvania; and energy savings improvements at Bloomsburg, Cheyney, Lock Haven, Mansfield, Millersville, and Slippery Rock Universities of Pennsylvania. Serial interest rates range from 0.49 percent to 5.17 percent.

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

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

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

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

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

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

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

The Series AR bonds are tentatively scheduled to close in late July 2015, and will be issued to finance auxiliary facilities renovation and construction at Bloomsburg, California, and Millersville Universities of Pennsylvania, and a steam plant upgrade at Bloomsburg University of Pennsylvania.

Of the original \$2.3 billion principal amount issued, through principal repayment and refunding of bond issues, \$801 million is outstanding as of June 30, 2015.

## State System Bond Issue History

Issue	True Interest Cost	Originally Issued	Original BP Issue	Principal Paid Through 6/30/15	Balance Remaining on PASSHE's Books 6/30/15
Series A	7.99%	July 23, 1985	31,000,000	31,000,000	0
Series B	6.67%	June 25, 1986	25,990,000	25,990,000	0
Series C	6.78%	July 29, 1987	38,240,000	38,240,000	0
Series D	7.19%	July 28, 1990	58,800,000	58,800,000	0
Series E	6.93%	June 27, 1991	54,845,000	54,845,000	0
Series F	5.97%	December 15, 1992	35,210,000	35,210,000	0
Series G	5.97%	December 15, 1992	14,170,000	14,170,000	0
Series H	5.54%	May 18, 1993	15,940,000	15,940,000	0
Series I	5.54%	May 18, 1993	61,425,000	61,425,000	0
Series J	5.49%	March 16, 1994	28,285,000	28,285,000	0
Series K	5.49%	March 16, 1994	55,430,000	55,430,000	0
Series L	6.20%	July 14, 1994	45,855,000	45,855,000	0
Series M	5.93%	March 14, 1995	35,395,000	35,395,000	0
Series N	5.86%	April 2, 1996	44,455,000	44,455,000	0
Series O	5.37%	June 25, 1997	46,745,000	46,745,000	0
Series P	4.97%	February 25, 1998	72,880,000	72,880,000	0
Series Q	4.76%	June 30, 1998	22,675,000	22,675,000	0
Series R	5.01%	June 17, 1999	31,050,000	31,050,000	0
Series S	5.49%	June 21, 2000	51,720,000	51,720,000	0
Series T	4.66%	July 12, 2001	69,555,000	69,555,000	0
Series U	4.30%	August 8, 2002	14,400,000	14,400,000	0
Series V	Variable	August 8, 2002	25,200,000	25,200,000	0
Series W	4.31%	October 15, 2002	69,105,000	69,105,000	0
Series X	3.32%	May 29, 2003	80,910,000	80,910,000	0
Series Y	Variable	June 19, 2003	25,350,000	25,350,000	0
Series Z	3.88%	March 17, 2004	71,760,000	71,760,000	0
Series AA	4.45%	July 8, 2004	28,750,000	28,750,000	0
Series AB	Variable	July 8, 2004	20,970,000	20,970,000	0
Series AC	4.14%	July 7, 2005	52,650,000	52,650,000	0
Series AD	Variable	July 7, 2005	7,310,000	7,310,000	0
Series AE	4.57%	July 6, 2006	103,290,000	103,290,000	0
Series AF	4.66%	July 10, 2007	68,230,000	16,010,000	52,220,000
Series AG	3.97%	March 27, 2008	101,335,000	41,705,000	59,630,000
Series AH	4.43%	July 17, 2008	140,760,000	25,975,000	114,785,000
Series AI	4.13%	August 7, 2008	32,115,000	12,235,000	19,880,000
Series AJ	4.37%	July 9, 2009	123,985,000	23,535,000	100,450,000
Series AK	3.15%	September 3, 2009	47,310,000	18,865,000	28,445,000
Series AL	3.72%	July 8, 2010	135,410,000	53,055,000	82,355,000
Series AM	4.00%	July 12, 2011	119,085,000	15,115,000	103,970,000
Series AN	1.54%	March 20, 2012	76,810,000	5,445,000	71,365,000
Series AO-1 (Tax-Exempt)	4.20%	July 8, 2013	12,340,000	665,000	11,675,000
Series AO-2 (Taxable)	4.73%	July 8, 2013	18,575,000	1,295,000	17,280,000
Series AP	2.34%	May 7, 2014	46,110,000	2,685,000	43,425,000
Series AQ	2.88%	May 7, 2015	94,975,000	0	94,975,000
			2,356,400,000	1,555,945,000	800,455,000

**State System of Higher Education  
Proposed 2015(B) Bond Issue Summary**

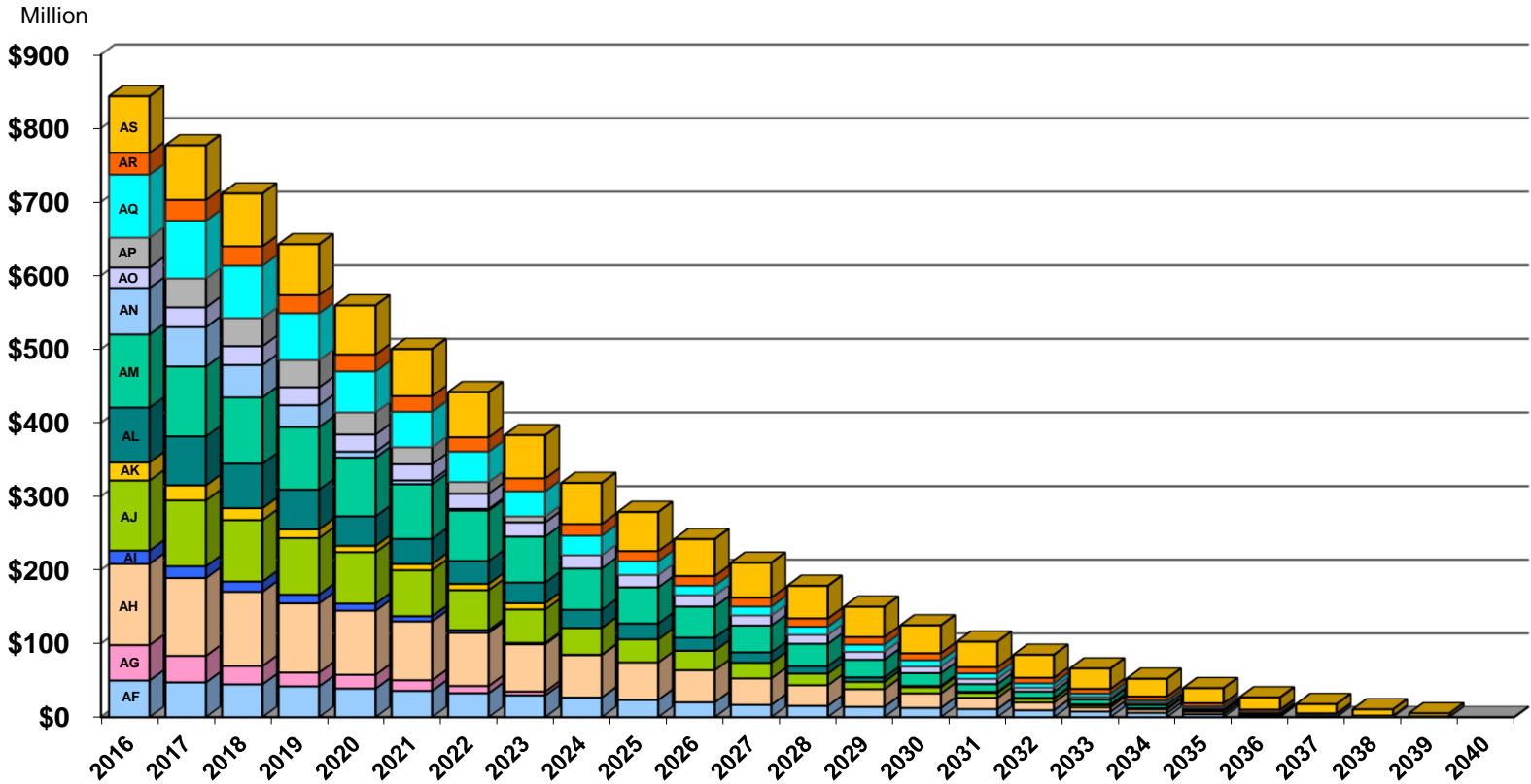
**Tax-Exempt Bond Issue**

<b>Project</b>	<b>Type</b>	<b>Term (Years)</b>	<b>BOG Approved</b>	<b>Amount</b>
California On-Campus Student Housing	Auxiliary	25	July 2015	\$76,770,000
Contingency and Issuance Costs Estimated at 1.6%				<u>1,228,320</u>
<b>Total Debt Issue</b>				<u><u>\$77,998,320</u></u>

# System Debt Outstanding by Bond Issue

## Fiscal Years Ending 2016–2040

Including Proposed Series



Bond Series Indicated by Letter  
 Series AR estimated to close in July 2015

**From:** Brogan, Frank  
**Sent:** Monday, June 15, 2015, 6:33 PM  
**To:** Pogue, Frank  
**Cc:** Robert Bogle (Cheyney); Hughes, V (CHE); Garland, Peter; Goin Jr., Randy  
**Subject:** Cheyney University - next steps

Dr. Pogue:

First, let me thank you for providing the extensive information you compiled for your Sustainability Plan for Cheyney University. The following is my perspective on the highest priorities contained within your document, which will help to guarantee the development and implementation of *significant and substantial change* in the next 12 months. You will agree that it is urgent that Cheyney University, the nation's oldest HBCU, determine its long term viability in terms of size (student enrollment, facilities and academic offerings) and how it meets its obligations in the following areas:

**Ensure the academic program array builds on program quality and current and emerging market demands**

- Three general academic clusters appear to be key themes: Natural Sciences/Math, Professional Programs, and Education:
  - 18 Undergraduate majors
  - 12 Undergraduate minors
  - 5 Graduate majors
- Review each existing program based on degree productivity, course offerings, faculty resources, and market need. Eliminate under-enrolled programs through program consolidation and closure.
- Identify 3 new applied and professional academic programs to be developed in 2015-2016 that leverage existing academic program strengths (courses and faculty) and market interest (e.g., criminal justice, actuarial science, and a graduate program in the sciences).
- Revise the general education program for clarity, coherence, and relevance.

**Build enrollment management capacity**

- Build expected university enrollments (on-campus and in Center City) around key academic programs by recruiting and retaining academically qualified students (e.g., 700 for 2015-16; 800 for 2016-17).
- Expand Keystone Honors Academy enrollments as a strategy to rebrand Cheyney University around its academic quality.
- Continue to outsource student financial aid (Financial Aid Services-FAS), the re-installation of PowerCampus enterprise software (Ellucian), and explore solutions external to Cheyney with the capacity for effective student administrative and support services.

**Implement a new business model for efficient and effective administrative operations aligned with university needs (size and scope)**

Analyze each business function to determine the most effective delivery method (outsourced, in-sourced to another State System university). For example:

- Student Health Services
- Housing and Dining Hall Services
- Fiscal Management Operations
- General Administration and Logistical Services—Human Resources, Purchasing, Police, Safety, etc.
- Operations and Maintenance of Plant

### **Collaborative opportunities**

As is the case with many universities (public and private) across the country more collaboration will be necessary to enable implementation of significant and substantial change at Cheyney University (e.g., academic program offerings, facilities usage, and shared services).

### **Urgency**

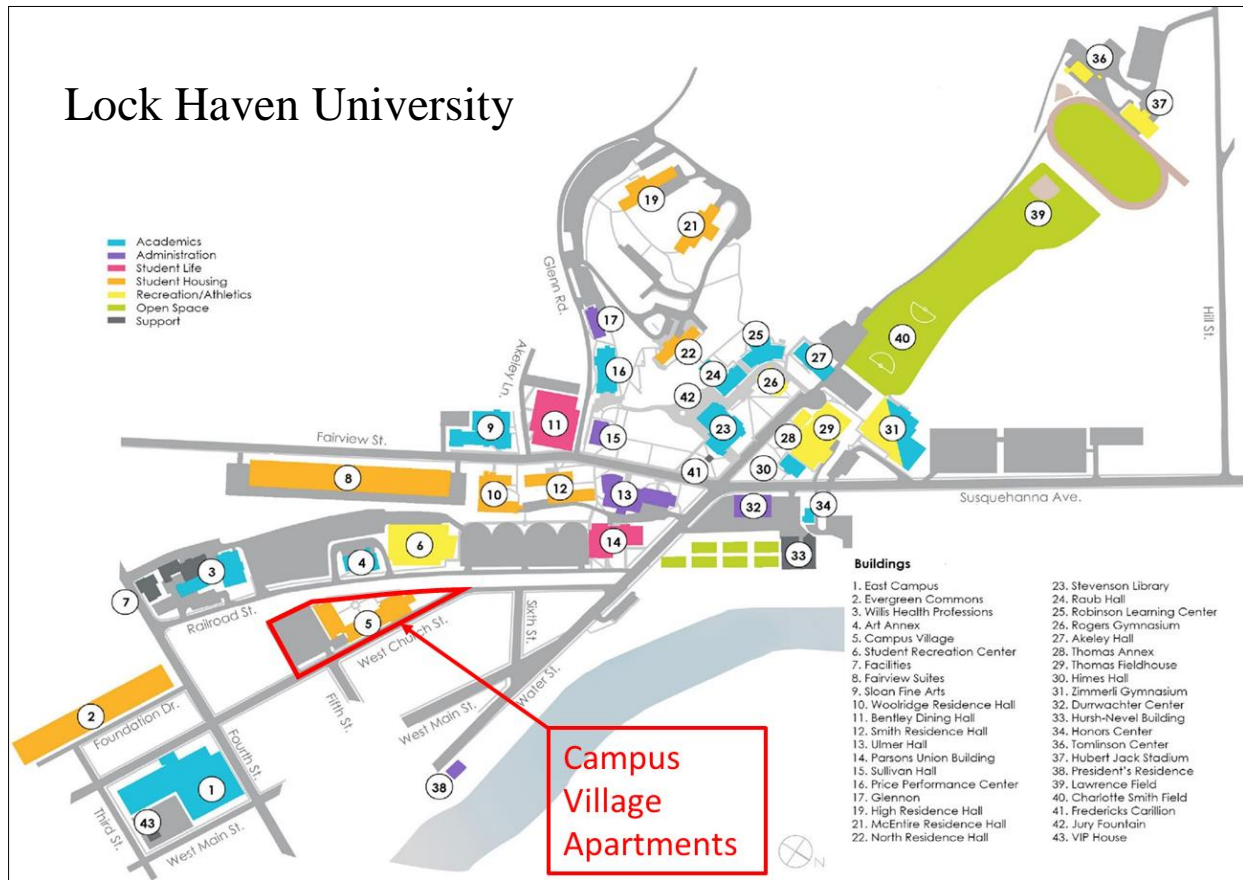
Coming to terms with an actionable plan for Cheyney's continued long term viability is vital. Such a plan is essential as we seek a continued revenue stream—provided by the System on a loan basis to be approved by the Board of Governors—for operational purposes for the next fiscal year.

Thank you for your continued leadership, Frank. If we are going to guarantee a long term future for the university and those to be served by it, it is essential that we move forward immediately with the critical components that I have outlined above.

I look forward to our next conversation.

Best regards,

Frank T. Brogan  
Chancellor



Campus Village Apartments  
Lock Haven University of Pennsylvania



**Edinboro University of Pennsylvania  
Tuition Flexibility Pilot Assessment**

**Pilot/Title: Reduced Out-of-State Tuition (105% of In-State Rate)**

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

Edinboro University proposes to undertake a pilot project for the State System by adjusting out-of-state tuition and mandatory fees to match in-state tuition plus a 5% out-of-state tuition and fee surcharge. Effective fall 2014 through summer 2016.

**Changes Sought Since Pilot's Approval**

To extend the pilot for one additional year, through summer 2017.

Assessment Criteria	Prior Year (Fall 2013)	Current Year (Fall 2014)	Projected Year (Fall 2015)
<b>Cohort Access</b>			
Headcount Pell Recipients	84	113	153
Percent Pell Recipients	38.0%	49.1%	49.2%
Headcount Nonmajority Students	50	62	86
Percent Nonmajority	22.9%	27.8%	27.7%
<b>Cohort Enrollment</b>			
Fall FTE Students	210.93	219.13	296.26
Fall Headcount Students	221	230	311
Deposits as of May 29 each year*	257	201	289
*As of May 29, 2015, there is a trend toward increased deposits associated with New Student Orientations (NSO). To date, Edinboro has seen a 115% increase (808 in 2015 compared to 376 in 2014) in registrations for NSOs with 12 sessions to go.			
<b>E&amp;G Revenue Associated with Cohort</b>			
Tuition Revenue	\$1,053,915	\$779,976	\$1,054,498
E&G Fee Revenue	238,337	230,288	311,341
Institutional Financial Aid (negative number)	(7,837)	(15,557)	(251,500)
Net Revenue	\$1,284,415	\$994,707	\$1,114,339
Revenue Increase Due to Normal Rate Changes		\$7,150	
<b>Pilot Revenue Change Over (Under) Base Year</b>		<b>(\$296,858)</b>	<b>(\$170,076)</b>

*Edinboro Freeze Data was used for this analysis.*

**Observations**

*Edinboro's recruitment cycle, including marketing and outreach to both rising high school juniors and seniors, extends beyond 18 months. In its first year (fall 2014), the pilot was in effect too late in the recruitment cycle to have a significant impact on enrollment. For fall 2015, with the benefit of a full annual recruitment cycle to promote the new pricing, out-of-state deposits are up 50% compared to the prior year. Edinboro anticipates this trend will continue into fall 2016.*

**Pennsylvania's State System of Higher Education**  
**Pricing Flexibility Pilots**  
*As Approved by the Board of Governors through January 2015*

<b>Tuition Policy Pilots</b>	
<p>Bloomsburg <i>Approved January 2015</i></p>	<p>Charge tuition on a <b>per-credit</b> basis to all in-state undergraduate students. The tuition rate for in-state undergraduate students will lag one year behind the System's established per-credit rate set by the Board of Governors. Charge out-of-state undergraduate students 200% of the in-state undergraduate per-credit tuition rate. Effective fall 2015–summer 2018. Implementation postponed until fall 2016.</p>
<p>California <i>Approved January 2014</i></p>	<p>Charge undergraduate tuition at the most recent <b>Military Tuition Assistance</b> (TA) reimbursement rate (currently \$250 per credit) and graduate tuition at a fixed rate of \$399 per credit to the following individuals enrolled in the Global Online Program: all active duty military (Army, Navy, Air Force, Marine Corps, Coast Guard, National Guard, and Reserves); and dependents and spouses of active duty members. Undergraduates taking 12–18 credits are charged the 12-credit rate. Effective summer 2014–summer 2016.</p>
<p>Cheyney <i>Approved July 2014</i></p>	<p>Charge 90% of the applicable tuition rate to students attending the System's <b>Center City</b> location in downtown Philadelphia. The tuition rate would apply to all Cheyney Center City programs, both undergraduate and graduate. Effective fall 2014–summer 2016.</p>
<p>Cheyney <i>Approved July 2014</i></p>	<p>Charge undergraduate tuition at the most recent <b>Military Tuition Assistance</b> (TA) reimbursement rate (currently \$250 per credit) and graduate tuition at a fixed rate of \$399 per credit to all active duty military, spouses and dependents of active duty members, veterans, and spouses and dependents of veterans of all branches of service (Army, Navy, Air Force, Marine Corps, Coast Guard, National Guard, and Reserves) attending Cheyney University at any location. Effective fall 2015–summer 2017. Implementation postponed.</p>
<p>Clarion <i>Approved April 2014</i></p>	<p>Charge all undergraduate students on a <b>per-credit</b> basis, in a revenue-neutral manner, by charging 90.5% of the System's per-credit rate to all undergraduate students. Effective fall 2015–summer 2018. Implementation postponed until fall 2016.</p>
<p>East Stroudsburg <i>Approved July 2014</i></p>	<p>Charge 90% of the applicable tuition rate to students attending the System's <b>Center City</b> location in downtown Philadelphia. The tuition rate would apply to all East Stroudsburg Center City programs, both undergraduate and graduate. Effective fall 2014–summer 2016.</p>
<p>Edinboro <i>Approved January 2014</i></p>	<p>Charge 105% of the in-state tuition rate to all newly enrolled domestic <b>out-of-state</b> undergraduate students. Effective fall 2014–summer 2016.</p>
<p>Indiana <i>Approved January 2015</i></p>	<p>Charge tuition on a <b>per-credit</b> basis to all in-state undergraduate students. The university will phase in this program over three years, with a 7% rollback (charge 93%) of the System's per-credit tuition rate in year 1, a 4% rollback (charge 96%) of the System's per-credit tuition rate in year 2, and a 1% rollback (charge 99%) of the System's per-credit tuition rate in year 3. The university will assess the program annually and may make appropriate adjustments to this plan. Effective fall 2015–summer 2018. Implementation postponed until fall 2016.</p>

Mansfield <i>Approved July 2014</i>	Charge undergraduate tuition at the most recent <b>Military Tuition Assistance</b> (TA) reimbursement rate (currently \$250 per credit) and graduate tuition at a fixed rate of \$399 per credit to the following individuals enrolled in online programs: all active duty military (Army, Navy, Air Force, Marine Corps, Coast Guard, National Guard, and Reserves); and dependents and spouses of active duty members. Undergraduates taking 12–18 credits are charged the 12-credit rate. Effective fall 2015–summer 2017.
Mansfield <i>Approved July 2014</i>	Charge 105–150% of the in-state tuition rate to new <b>out-of-state, meritorious</b> full-time students in undergraduate degree programs that have enrollment capacity beyond the existing enrollment (currently music, nursing, radiology, respiratory therapy, and all online programs are excluded). The university will set merit eligibility criteria applicable for specific tuition rates within this range, including eligibility for rate renewal. Effective fall 2015–summer 2017.
Millersville <i>Approved April 2014</i>	Charge 90% of the applicable tuition rate to students attending the System's <b>Center City</b> location in downtown Philadelphia. The tuition rate would apply to all Millersville Center City programs, both undergraduate and graduate. Effective summer 2014–summer 2016.
Millersville <i>Approved July 2014</i>	Charge tuition on a <b>per-credit</b> basis to all in-state undergraduate students. The university will phase in this program over three years, with a 7% rollback (charge 93%) of the System's per-credit tuition rate in year 1, a 4% rollback (charge 96%) of the System's per-credit tuition rate in year 2, and a 1% rollback (charge 99%) of the System's per-credit tuition rate in year 3. The university will assess the program annually and may make appropriate adjustments to this plan. Effective fall 2014–summer 2017. Year 2 implementation is postponed until fall 2016.
Slippery Rock <i>Approved January 2015</i>	Charge undergraduate tuition at 85% of the current applicable tuition rate to the following individuals enrolled exclusively in undergraduate online programs: all active duty <b>military</b> (Army, Navy, Air Force, Marine Corps, Coast Guard, National Guard, and Reserves); and spouses of active duty members. Undergraduates taking 12–18 credits are charged the 12-credit rate. Effective fall 2015–summer 2017.
West Chester <i>Approved January 2014</i>	Charge 90% of the applicable tuition rate to students attending the System's <b>Center City</b> location in downtown Philadelphia. The tuition rate would apply to all West Chester Center City programs, both undergraduate and graduate. Effective fall 2014–summer 2016.
<b>Student Fee Policy Pilots</b>	
Clarion <i>Approved January 2014</i>	Charge course-specific instructional fee for the high-cost/high-demand undergraduate degree programs of <b>nursing and communication and speech disorders</b> (CSD). If successful, expand to other high-cost/high-demand undergraduate programs in future years based on cost/benefit analysis. The differential would be a 10% annual increase until the course is fully funded: 3 years for nursing; 1–2 years for CSD. Effective fall 2015–summer 2017.
East Stroudsburg <i>Approved January 2014</i>	Charge a course- and/or semester-specific instructional fee of approximately 25% of the applicable tuition rate to all students in the Bachelor of Science in <b>nursing</b> (BSN) program. If successful, may expand to speech language-pathology and athletic training or similar programs in year 2. Effective fall 2014–summer 2017. Note: fee is charged to new students in clinical sessions; first instance of fee assessment occurs to sophomores in academic year 2015/16.
Edinboro <i>Approved January 2014</i>	Charge a course- or program-specific instructional fee of 25% of the undergraduate tuition rate to all students in the BSN in <b>innovative nursing</b> program. If successful, expand to other high-cost/high-demand undergraduate programs in future years based on cost/benefit analysis. Effective fall 2014–summer 2016.

<p>Edinboro <i>Approved July 2014</i></p>	<p>Charge a course-specific instructional fee of 5% of the per-credit tuition rate for all students enrolled in a course with an <b>ART</b> prefix. Charge a program-specific instructional fee of 25% of the applicable tuition rate to all students enrolled in an undergraduate <b>nursing</b> program. ART is effective fall 2014–summer 2016; nursing is effective fall 2015–summer 2017.</p>
<p>Lock Haven <i>Approved July 2014</i></p>	<p>Charge the <b>educational services fee on a per-credit basis</b> for all undergraduate students. The university will phase in this program over two years, with a charge of \$15 per credit for all credits in excess of 12, beginning in fall 2014, and increasing to the full per-credit rate in fall 2015. Effective fall 2014–summer 2016.</p>
<p>Lock Haven <i>Approved October 2014</i></p>	<p>Charge a course-specific fee for all students enrolled in <b>nursing</b> courses. The fee will be phased in over two years, with a charge of \$45 per credit hour in the first year, and increasing to 30% of the undergraduate tuition rate in year 2. The instructional fee and course costs will be reviewed annually, and the fee could be adjusted, if warranted by the review. Effective fall 2015–spring 2017.</p>
<p>Mansfield <i>Approved July 2014</i></p>	<p>Charge a course-specific instructional fee for <b>high-cost courses</b>. Initially the fee would be \$100 per course for specific high-cost courses in art, biology, chemistry, respiratory therapy, nursing, nutrition, math, computer information systems, music, and psychology. The proposed fee and course costs would be reviewed annually; the fee would be adjusted as the review justifies. Effective spring 2015–fall 2017. Implementation postponed to fall 2015.</p>
<p>Millersville <i>Approved April 2014</i></p>	<p>Charge a differential fee for the following undergraduate <b>high-cost/high-demand STEM-H programs</b>: applied engineering, safety and technology; biology; chemistry; computer science; earth science; industrial technology; mathematics; physics; nursing; medical technology; and respiratory therapy. The differential fee would be \$100 per semester for a full-time student and \$8 per credit for part-time. The fee would begin once a student has declared a major and has obtained at least 30 earned credit hours. Effective fall 2014–summer 2016.</p>
<p>Slippery Rock <i>Approved January 2015</i></p>	<p>Charge a differential fee for the following undergraduate <b>high-cost/high-demand STEM-H courses</b>: applied engineering, safety and technology; biology; chemistry; computer science; earth science; mathematics; physics; and medical technology. The differential fee would be \$90 for each specialized 100- and 200-level lab course and \$30 per credit for selected specialized 300- and 400-level STEM-H courses. The fees will be phased in over four years, with fees for 100-level courses beginning in year 1, 200-level courses in year 2, 300-level courses in year 3, and 400-level courses in year 4. The proposed fee would be reviewed annually; the fees would be adjusted as the review justifies. Effective fall 2015–summer 2018.</p>

*Highlighted pilots have been in place since summer or fall 2014.*



**DRAFT**

## PA State System of Higher Education Board of Governors

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Effective: July 1, 2015

Page 1 of 1

### **Policy 2015-xx: Veterans' In-State Tuition Benefits**

**See Also:**

Board of Governors' Policy 1985-03

State System Procedure/Standard Number 2015-xx

**Adopted:** Juxx x, 2015

**Amended:**

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**A. Purpose and Scope**

The purpose of this policy is to ensure compliance with Section 702 of the federal *Veterans Access, Choice, and Accountability Act of 2014* (Choice Act) and other laws as adopted by the Commonwealth of Pennsylvania regarding the charging of in-state tuition to qualified veterans and other covered individuals, such as spouses and dependents.

**B. Policy**

In-state tuition shall be charged for programs of education for individuals who have been or will be eligible for benefits under the Post-9/11 GI Bill (Chapter 33 of Title 38 of the United States Code, which includes the Fry Scholarship) and the Montgomery GI Bill (Chapter 30 of Title 38 of the United States Code).

The chancellor shall establish procedures, standards, and guidelines—to include definitions—that will ensure compliance with the Choice Act and other applicable laws regarding veterans' educational benefits, including state laws as adopted by the Commonwealth of Pennsylvania.

**C. Effective Date**

July 1, 2015.

**Pennsylvania’s State System of Higher Education  
Procedures and Standards for University Operations**

**Draft Procedure/Standard Number 2015-xx  
Veterans’ In-State Tuition Benefits**

**CHOICE ACT COMPLIANCE ONLY**

*(A second version is prepared with revised definitions to ensure HB 131 compliance.)*

**Approved by:** \_\_\_\_\_  
Chancellor

**Date:** \_\_\_\_\_

**History:** In August 2014, the federal government enacted the *Veterans Access, Choice, and Accountability Act of 2014* (Choice Act), which requires public institutions of higher learning to charge in-state tuition and fees to “covered individuals” to remain approved for the Veterans Administration’s GI Bill programs.

Revised:  
Additional History:

**Related Policies, Procedures, or Standards:** Board of Governors’ Policies 2015-xx: *Veterans’ In-State Tuition Benefits*, and 1985-03: *Student Domicile Regulations*

**Key Words/Categories:** students, finance, residency, tuition and fees, scholarships and waivers

**Additional References:** Section 702 of the *Veterans Access, Choice, and Accountability Act of 2014* (Choice Act)

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**I. Introduction**

Pennsylvania’s State System of Higher Education offers a wide variety of services to military members, veterans, their spouses, and dependents. Effective July 1, 2015, the Board of Governors approved charging in-state tuition for programs of education under the Post-9/11 GI Bill (Chapter 33 of Title 38 of the United States Code, which includes the Fry Scholarship) and the Montgomery GI Bill (Chapter 30 Title 38 of the United States Code) for eligible veterans and their dependents who are “covered individuals” in compliance with Section 702 of the *Veterans Access, Choice, and Accountability Act of 2014* (Choice Act). See Board of Governors’ Policy 2015-xx: *Veterans’ In-State Tuition Benefits*, which permits the chancellor to establish procedures, standards, and guidelines in compliance with Section 702 of the Choice Act and Commonwealth law.

**II. Definitions**

**A. Covered Individual**

1. A veteran who lives in the Commonwealth of Pennsylvania (regardless of his/her formal state of residence) and enrolls in a State System university within three years of discharge from a period of active duty service of 90 days or more.

2. An individual (typically a spouse or child) using transferred benefits who lives in the Commonwealth of Pennsylvania (regardless of his/her formal state of residence) and enrolls in a State System university within three years of the transferor's discharge from a period of active duty of 90 days or more.
  3. An individual (typically a spouse or child) using benefits under the Marine Gunnery Sergeant David Fry Scholarship who lives in the Commonwealth of Pennsylvania (regardless of his/her formal state of residence) and enrolls in a State System university within three years of the service member's death in the line of duty following a period of active duty service of 90 days or more.
- B. **Veteran**—An individual who served in the active military, naval, or air service, or an individual who performed certain full-time service in, or was called up from, the reserve components or the United States National Guard and commissioned corps of the Public Health Service or National Oceanic and Atmospheric Administration and who has been discharged from a period of active duty of 90 days or more.

### III. **Universities Shall Charge In-State Tuition for Covered Individuals**

- A. Beginning with terms that start after July 1, 2015, covered individuals who enroll in State System universities shall be charged in-state tuition and fees.
- B. Covered individuals who are not veterans must use educational benefits until exhausted, with the exclusion of summer and winter sessions, in order to receive in-state tuition.
- C. Students shall maintain status of a covered individual as long as they remain continually enrolled in any State System university in one or more programs, even if they have exhausted their educational benefits.
- D. Covered individuals shall be eligible for in-state tuition and fees provided that the student lives in Pennsylvania on the first day of the semester or term, which can include student housing.
- E. All covered individuals charged in-state tuition will be considered in-state for all other student billing purposes, enrollment reports by residency, and allocation formula calculations, and may be considered for institutional in-state financial aid. Universities must be able to track these students separately, as required by the System Research Office.
- F. A veteran does not have to be using educational benefits in order to receive in-state tuition. Veteran active duty of 90 days or more for eligibility may be established based on one, or more than one, period of honorable qualifying active duty service, and qualifying service may be earned in the various branches of the armed forces and uniformed services.

#### IV. **Documentation**

##### A. Veterans shall provide the following:

1. A Member 4 copy of the veteran's DD Form 214 (DD214) in order to establish the veteran's discharge date and a period of honorable active duty of 90 days or more (multiples of the veteran's DD214 may be used to establish qualifying time period and service status).
2. A copy of the federal Veterans Affairs Certificate of Eligibility (COE) that establishes eligibility for veterans' educational benefits.
3. Evidence that the veteran lives in Pennsylvania; however, there is no requirement that the veteran live in Pennsylvania for a specific amount of time in order to be eligible for in-state tuition and fees.

##### B. Individuals (typically a spouse or child) using transferred benefits or benefits under the Marine Gunnery Sergeant David Fry Scholarship shall provide:

1. A copy of the COE that establishes the transferred benefits or eligibility for the Marine Gunnery Sergeant David Fry Scholarship.
2. A Member 4 copy of the transferor's or veteran's DD214 in order to establish the discharge date and a period of honorable active duty of 90 days or more (multiples of the veteran's DD214 may be used to establish qualifying time period and service status).
3. Evidence that the covered individual lives in Pennsylvania; however, there is no requirement that the covered individual live in Pennsylvania for a specific amount of time in order to be eligible for in-state tuition and fees.

#### V. **Effective Date**

Effective for terms beginning after July 1, 2015.