

COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES

JOINT HEARING OF THE
HOUSE AND SENATE
EDUCATION COMMITTEES

PENNSYLVANIA STATE SYSTEM OF HIGHER EDUCATION
STRATEGIC SYSTEM REVIEW

HARRISBURG, PENNSYLVANIA
ROOM 8E-B, EAST WING
MAIN CAPITOL BUILDING

WEDNESDAY, NOVEMBER 15, 2017
9:08 A.M.

HOUSE COMMITTEE MEMBERS PRESENT:

HONORABLE DAVID HICKERNELL, MAJORITY CHAIRMAN
HONORABLE JAMES ROEBUCK, MINORITY CHAIRMAN
HONORABLE ROSEMARY M. BROWN
HONORABLE MINDY FEE
HONORABLE MARK M. GILLEN
HONORABLE HARRY LEWIS
HONORABLE THOMAS QUIGLEY
HONORABLE CRAIG STAATS
HONORABLE WILL TALLMAN
HONORABLE PATTY KIM
HONORABLE MARK LONGIETTI
HONORABLE MICHAEL SCHLOSSBERG

SENATE COMMITTEE MEMBERS PRESENT:

HONORABLE JOHN H. EICHELBERGER, MAJORITY CHAIRMAN
HONORABLE ANDREW E. DINNIMAN, MINORITY CHAIRMAN
HONORABLE RYAN P. AUMENT
HONORABLE DANIEL LAUGHLIN
HONORABLE ROBERT M. TOMLINSON
HONORABLE JAMES R. BREWSTER
HONORABLE ANTHONY H. WILLIAMS

*Pennsylvania House of Representatives
Commonwealth of Pennsylvania*

1 NON-COMMITTEE MEMBERS PRESENT:
2 HONORABLE MARIO M. SCAVELLO

3 COMMITTEE STAFF PRESENT:
4 ELIZABETH MURPHY
5 MAJORITY EXECUTIVE DIRECTOR
6 NICHOLE DUFFY
7 MAJORITY SENIOR EDUCATION ADVISOR
8 KAREN SEIVARD
9 MAJORITY SENIOR LEGAL COUNSEL
10 BENJAMIN CLEAR
11 MAJORITY RESEARCH ANALYST
12 MICHAEL BIACCHI
13 MAJORITY RESEARCH ANALYST
14 CATHY O'DONNELL
15 MAJORITY ADMINISTRATIVE ASSISTANT

16
17
18
19
20
21
22
23
24
25
CHRIS WAKELEY
MINORITY EXECUTIVE DIRECTOR
APRIL McCLENTON
MINORITY LEGISLATIVE ASSISTANT

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

I N D E X

TESTIFIERS

* * *

<u>NAME</u>	<u>PAGE</u>
DR. PETER GARLAND EXECUTIVE VICE CHANCELLOR, PASSHE.....	5
MS. SALLY JOHNSTONE PRESIDENT, NCHEMS.....	10
DR. MARCIA WELSH PRESIDENT, EAST STROUDSBURG UNIVERSITY.....	77
DR. CHRISTOPHER FIORENTINO PRESIDENT, WEST CHESTER UNIVERSITY.....	88
DR. KEN MASH PRESIDENT, APSCUF.....	118

SUBMITTED WRITTEN TESTIMONY

* * *

(See submitted written testimony and handouts online.)

P R O C E E D I N G S

* * *

HOUSE MAJORITY CHAIRMAN HICKERNELL:

(PORTION OF AUDIO MISSING)

-- on track to have the System reviewed in concert with former Chancellor Frank Brogan. The study findings were released in July. This morning we're going to hear a little bit about that study, some of the recommendations, some things that the State System is doing to try to implement some of those recommendations.

It's no secret that the State System has been struggling for a number of years. I would like to thank the System for taking on this review and for being committed to making changes that are necessary.

We would also like to hear this morning as to, you know, what we can do as a legislative body to help you right this ship, so to speak. I think we're all fully committed to the State System, and I look forward to working with you throughout the process.

It's my understanding that my counterpart, Chairman Eichelberger, is running a few minutes late. He had another commitment

1 this morning, another meeting, but he will be
2 joining us in a few minutes. He did ask us to
3 go ahead and get started.

4 With that, I see that our first
5 testifiers have already taken seats, Ms. Sally
6 Johnstone, who oversaw the review, and Dr. Peter
7 Garland, who is the Executive Vice Chancellor of
8 PASSHE. Welcome.

9 You may begin when you're ready, folks.

10 DR. GARLAND: Ensuring student success,
11 leveraging the strengths of each university,
12 transforming the governance and leadership
13 structure, those are the main priorities that
14 have emerged from Pennsylvania's State System of
15 Higher Education's Board of Governors' Strategic
16 System Review.

17 I am here representing interim
18 Chancellor Dr. Karen Whitney, who had a prior
19 commitment out of State and is not able to
20 attend today. On behalf of her and the Board of
21 Governors, thank you for the opportunity to
22 speak with you today about the recommendations
23 contained in this strategic system review report
24 that was issued by the National Center for
25 Higher Education Management Systems, and more

1 importantly, about how the System has now
2 shifted from system review, if you will, to
3 system redesign. That mode is in order to
4 achieve the most positive results on behalf of
5 and for our students, universities and the
6 System as a whole.

7 NCHEMS completed its independent data
8 collection and analysis in early summer, and in
9 July presented a series of recommendations for
10 the future of the State System. The
11 recommendations are the result of a widely
12 inclusive process that did include more than 100
13 meetings held across the State. Sessions were
14 held on each of our 14 university campuses and
15 included hundreds of students, faculty, staff,
16 alumni, business and community leaders as well
17 as elected officials.

18 In addition, more than 800 individuals
19 offered comments and suggestions through the
20 website that was established as part of the
21 project that NCHEMS took on for us. NCHEMS also
22 analyzed student, program and financial
23 data, as well as regional and national trends in
24 higher education and workforce demands to
25 provide insights for its professional

1 recommendations.

2 The report focused on overall
3 organizational challenges. In summary, it
4 suggested the System be enabled to operate more
5 like a higher education entity rather than a
6 government bureaucracy; that the regulatory
7 burden upon the State System be reduced; that
8 more authority be given to the chancellor -
9 supported by the board - in the area of
10 policymaking, specifically being more strategic
11 than tactical, in helping to leave the System;
12 that collective bargaining be negotiated
13 responsibly; and postsecondary education be
14 coordinated in this State, not just for the
15 State System, via a statewide policy entity.

16 Since the announcement of the report,
17 the Board and System leaders have been reviewing
18 the recommendations and feedback generated from
19 the strategic review in order to define the next
20 steps in redesigning the State System for the
21 future, talking with and listening to campus
22 stakeholders.

23 At its October meeting, the Board of
24 Governors unanimously adopted a resolution
25 affirming its commitment to developing a plan to

1 redesign the System by focusing on the three
2 priorities I mentioned in my opening. Again,
3 they are: ensuring student success; leveraging
4 the university strengths; and transforming the
5 System's leadership and governance structure.

6 The resolution furthermore expressed
7 commitment to ensuring the long-term
8 sustainability of each of the 14 institutions
9 within the State System so that each may
10 continue to serve the students, its regions and
11 the Commonwealth and pursuing a transformative
12 System redesign that will have the greatest
13 positive impact for students, enhance the
14 efficiency and effectiveness of the System and
15 ensure strategic changes that support the
16 System's long-term success and its continuing
17 contributions to the Commonwealth.

18 To this end, the Board has already moved
19 from review to redesign mode, beginning to form
20 small, focused task groups to provide expertise
21 and perspective on specific objectives related
22 to each priority. For example, under the
23 priority of ensuring student success, task
24 groups will need to be formed to define exactly
25 what we mean by student success and how that

1 might differ across the 14 institutions, and how
2 we might serve populations in Pennsylvania that
3 have not been as fully served as others,
4 including adult learners and so on.

5 To leverage the power and unique
6 strengths of our 14 universities, other task
7 groups are being formed to examine collaborative
8 pricing, regional affordability, consortium
9 procurement of goods and services and
10 collaborative allocation of resources to serve
11 our universities and their students.

12 Another task group is focusing on
13 how the Board can become more oriented towards
14 strategic policy leadership. The Board will
15 identify and form other task groups as the
16 System redesign effort moves forward. As the
17 Board works toward ensuring the long-term
18 success of the 14 universities, it acknowledges
19 that the Legislative Budget and Finance
20 Committee is pursuing a study pursuant to Senate
21 Resolution 34, contracting with the RAND
22 Corporation to conduct the study.

23 We look forward to sharing with RAND
24 what we have learned from the strategic review
25 report and our conversations throughout

1 Pennsylvania, as well as what and how we are
2 advancing the recommendations contained therein.
3 We are also eager to discuss those actions we
4 have already taken that are addressing the
5 issues contained within the Request for Proposal
6 and look forward to reading its findings
7 concerning a statewide postsecondary education
8 coordinating policy entity.

9 The Board also acknowledges that as the
10 System redesign moves forward, there is a
11 likelihood of statutory and regulatory changes,
12 including but not limited to amendments or
13 enabling legislation, Act 188 of 1982. We look
14 forward to continuing conversations with you as
15 these potential proposals are refined.

16 Making important changes will be
17 essential for our students and universities to
18 succeed. Everyone should be engaged in this
19 process. These are Pennsylvania's public
20 universities, and everyone has a stake in our
21 success.

22 Thank you.

23 HOUSE MAJORITY CHAIRMAN HICKERNELL:

24 Thank you very much.

25 Sally, do you have anything?

1 MS. JOHNSTONE: I do. Let me just jump
2 in here and start with thanking you very much
3 for the opportunity to be here today and answer
4 any questions that you have with regard to the
5 recommendations of the report that we conducted
6 at NCHEMS.

7 Now, as you're probably aware, the
8 Commonwealth of Pennsylvania is a slight step
9 ahead of many other States in the country that
10 are facing very similar issues. The
11 demographics of this whole country are shifting;
12 we know that.

13 In most States, they are facing declines
14 in school-leavers, high school grads. And if
15 you project that out, which a number of higher
16 education policy groups do, we look at some
17 similar patterns in a variety of different
18 States. There also is a continuing trend which
19 has been going on for a long time, but
20 accentuated in the last couple of decades and
21 projected into the future even more so, that
22 folks are leaving rural areas and moving to more
23 urban areas. Not a surprise.

24 In the 1980s, '90s and 2000s, when
25 almost all of the policies around governance and

1 public higher education funding, as well as
2 decisions about how to organize staff and
3 institutions and develop curricula and deliver
4 it were made -- so these things were all put
5 together a while back -- the goal at that time
6 was to accommodate growing demand for access to
7 public higher education.

8 Consequently, the way the institutions
9 operate, the way their public support is
10 allocated is actually stuck in an environment
11 that no longer exists. We are moving in to a
12 timeframe when, yes, it is critical to maintain
13 access to post-secondary education services, but
14 it will be for smaller numbers of high school
15 grads. That means the need to think
16 differently.

17 Now, the Pennsylvania State System of
18 Higher Education staff and members of the Board
19 of Governors have begun to adapt. And they're
20 doing that by thinking differently about how
21 they can shift to this new state of affairs, and
22 it has profound implications.

23 The university systems, with the
24 statewide mission, and especially those that
25 operate and have institutions with smaller

1 enrollments in more rural areas, must begin to
2 collaborate to enable them to offer higher
3 education services to the populations that they
4 serve. Those populations typically -- this is
5 across the country, but also in the Commonwealth
6 of Pennsylvania -- attend university within
7 about 50 miles of where they live.

8 They become the teachers, the nurses,
9 the accountants and the business people near
10 where they grew up. When these universities can
11 collaborate, they can offer non-academic as well
12 as academic services to their students at a much
13 more sustainable cost than has been the case in
14 the past.

15 Now, some of that is already happening
16 here in Pennsylvania. And you'll hear from
17 President Welsh in a few minutes about a few
18 things that are starting.

19 As Dr. Garland mentioned, NCHEMS was
20 asked to come into the State, the Commonwealth,
21 with the premise of looking at the entire
22 System. And we started, as we do in almost
23 every State in which we work, with the notion of
24 what is in the best interest of the Commonwealth
25 and what is in the best interest of the people

1 who are and will become students of a public
2 system.

3 And our recommendation are built on all
4 of the evidence that we developed. We looked,
5 as Dr. Garland has mentioned, at both publicly
6 and privately available data within the PASSHE
7 environment. We met with a wide variety of
8 people at all 14 campuses and the communities
9 surrounding those campuses. We participated in
10 statewide meetings of members of the
11 Institutional Councils of Trustees. We did
12 outreach and interviews with statewide
13 associations of the community college, the
14 independent institutions, union leadership, the
15 PASSHE Board, leadership and staff, as well as
16 the Pennsylvania Higher Education Assistance
17 Agency and key policymakers in the legislative
18 and executive branches of Pennsylvania.

19 Dr. Garland also mentioned we collected
20 public comments via a website. That seemed to
21 be very popular. In addition to that, the staff
22 at NCHEMS drew on the experience and the work
23 that they've been doing for the last 50 years
24 with States across this country on these kinds
25 of issues.

1 What we recommended in the report that
2 we issued was really focused on what is the best
3 way to serve the public in the Commonwealth of
4 Pennsylvania, not what's best for any individual
5 institution nor what is best for any of the
6 systems in the State.

7 Right now, we are working on higher
8 education governance projects in West Virginia,
9 Colorado, Alaska and Iowa. That's as of right
10 now.

11 We have, over the past 50 years, as I
12 mentioned, worked with practically every State
13 in the country at various times. We're also
14 working with a major project in California
15 that's looking at what are the changing needs of
16 the citizens of that State to avoid the kind of
17 economic -- they call it a downturn, but as the
18 economy shifts, how do you empower the
19 post-secondary system to be able to function for
20 those, in this case Californians, who may well
21 face difficulties with the jobs that they have
22 due to automation or various other States.

23 All of the States I just mentioned, and
24 a host of others, are facing the same kinds of
25 issues that Pennsylvania is. But I would

1 suggest to you that Pennsylvania has moved from,
2 or at least within the Pennsylvania State Higher
3 Education System, System of Higher Education,
4 has moved from let's study it and think about it
5 to let's begin to act. So we are not just
6 spinning wheels, but we are rather moving toward
7 the future.

8 There are a lot of challenges. There
9 are a lot of actions that need to be taken and
10 ways of rethinking the way things have been done
11 in the past.

12 But I want to thank you very much for
13 letting me join you. I am glad to answer
14 whatever questions, to the best of my ability,
15 that you may have.

16 HOUSE MAJORITY CHAIRMAN HICKERNELL:
17 Thank you very much.

18 Obviously, you've had significant
19 experience in other States, you know, studying
20 similar systems. Perhaps you could share with
21 us a situation similar to Pennsylvania's that
22 perhaps you've studied in the past, you know
23 follow that through a little bit.

24 Did those systems take your
25 recommendations?

1 If they did, you know, what kind of
2 outcomes did they have?

3 Is that a fair question to ask?

4 MS. JOHNSTONE: Sure, but I would sample
5 from several States, quite honestly, because as
6 you know there is not an example parallel, but
7 there are some very similar circumstances that
8 arise.

9 Let me start with Tennessee. A number
10 of years ago, our team did some similar work,
11 not exactly the same, but similar work within
12 Tennessee. They, too, have a State System that
13 covers all of the public comprehensive
14 universities, but they pile into that their
15 community and technical colleges. So they have
16 a slightly different set up. What emerged out
17 of -- and they have then a few research
18 universities that are separate and operate
19 separately.

20 NCHEMS did this kind of analysis within
21 their State and looked at the lack of uniformity
22 of services across the variety of areas within
23 the State. So in Tennessee, it's a long thin
24 State. In the east, you have the Appalachian
25 Mountains. In the west, you have basically a

1 delta area, Memphis, et cetera. And in the
2 middle, you have their economic core.

3 Again, not identical, but they
4 recognized that the critical value of those
5 public comprehensive universities partnering
6 with the community and technical colleges was
7 going to be very, very important to the future
8 economic viability of the State. And what they
9 ended up doing was to create a very strong
10 performance funding mechanism.

11 Now, I'm not suggesting that's easy or
12 simple. It may not be the place that
13 Pennsylvania wants to go.

14 But Tennessee has moved to the forefront
15 of public systems of higher education because
16 they became very strategic about what it is that
17 they're trying to accomplish and focus instead
18 on any one individual campus or interest and
19 rather look at the benefit to the entire State.

20 The same thing is going on right now
21 with our teams that are in West Virginia, again,
22 an incredibly diverse State. They're facing a
23 host of issues and problems, including an
24 absolutely declining economic base within the
25 State. And they are trying to figure out how

1 they maintain higher education, or let me call
2 it post-secondary education opportunities, for
3 the population across the entire State. And the
4 recommendations are not going to be radically
5 dissimilar, I think, from what we're seeing here
6 in Pennsylvania, some way in which you can look
7 at a collaboration, not dissolving institutions
8 but arranging environments for collaboration
9 among institutions that basically make the whole
10 structure and system much more viable and
11 sustainable.

12 Do you want me to keep going or is
13 that --

14 HOUSE MAJORITY CHAIRMAN HICKERNELL: If
15 you're finished, that's fine. Thank you.

16 MS. JOHNSTONE: I could go on for a long
17 time. We've got 50 States in this country.

18 HOUSE MAJORITY CHAIRMAN HICKERNELL: I'm
19 sure we'll have other questions.

20 Senator Dinniman.

21 SENATE MINORITY CHAIRMAN DINNIMAN: Yes.
22 First, Dr. Garland, it's good to see you again.
23 We shared the same doctoral program at Penn
24 State.

25 Four years ago, there was a Maguire

1 Report. Why did you decide to -- how much was
2 spent on this report, out of curiosity?

3 DR. GARLAND: We established sort of a
4 ceiling level on this report. So the ceiling
5 level was \$400,000 on the report for NCHEMS. I
6 don't have the exact accounting to see --

7 SENATE MINORITY CHAIRMAN DINNIMAN: No,
8 that's fine. The question I have is really, the
9 Maguire Report gave us an opportunity to go
10 forward.

11 Why was the report four years ago not
12 utilized and why did we then decide to do a new
13 report and thus delay our ability to move
14 forward?

15 DR. GARLAND: Senator, I would disagree
16 slightly with the notion of not using the
17 Maguire Report in terms of the fundamental
18 changes in the System. That report was focused
19 on tuition and tuition sensitivity, which is
20 certainly one of the issues that has certainly
21 challenged our campuses and certainly is
22 something that you as members of the General
23 Assembly have had some interest in terms of the
24 tuition levels.

25 We studied at that point, four years

1 ago, in looking at each of the 14 campuses and
2 really figuring out what kind of elasticity they
3 might have in charging tuition. Again, with the
4 notion that we have operated throughout the
5 System's history, and prior when it was part of
6 the Department of Education, with a single
7 in-State undergraduate rate.

8 And it's very clear, for those of you
9 who travel across the Commonwealth, there are
10 very different levels of regional affordability,
11 and it was clearly pointed out in the NCHEMS
12 Study. The range of family income and the
13 capacity to pay ranges wildly across the State,
14 literally by a factor of two or more.

15 So the Maguire Study, I think, did lead
16 to a number of tuition pilots that institutions
17 have been operating with for up to three years.
18 So we clearly used that study to help position
19 some of the universities differently in terms of
20 how they charged tuition and how they developed
21 resources for financial aid for students, so as
22 to not affect the mission of our universities.

23 So it was part of that one, but it
24 really looked at the tuition issues. And the
25 NCHEMS study, as designed, was to look far more

1 broadly at the System.

2 SENATE MINORITY CHAIRMAN DINNIMAN: But
3 the difficulty when you did the tuition changes
4 is even when you create elasticity, you went up
5 -- many of these universities went up in their
6 fees and went up in their costs of housing and
7 food. And so in the end, the data elasticity
8 was not as effective as it could be.

9 My second question is, I do understand
10 the notion that we need to give more
11 independence to different, you know, to
12 individual institutions and to the system as a
13 whole, but the legislature faces the issue of
14 accountability. And we recently saw that when
15 the City of Philadelphia decided that the State,
16 the SRC, was not -- that the City stood up and
17 said, well, we're going to have to figure out a
18 way to fund this because of the limited
19 resources of the State.

20 So in addition to State funding, if
21 you're asking for independence, which I happen
22 to agree with. I don't have a problem with
23 that. Because any money we give, we have to do
24 accountability through our systems.

25 What are you doing to step up to the

1 plate in a similar way that the City of
2 Philadelphia did?

3 I mean, it took some courage. And we
4 give credit to Mayor Kenney that he was willing
5 to do that.

6 So how is the State System going to step
7 up to the plate?

8 DR. GARLAND: I think one of the things
9 that was put out in the NCHEMS Study, and if I
10 might, I'll get a little bit into that
11 recommendation about the Board and the System
12 itself becoming more strategic.

13 I think one of the things that the
14 individuals working with NCHEMS -- and they
15 heard this, I think, throughout many of our
16 campuses is -- we've developed over time an
17 accountability to process, more than an
18 accountability to results or outcomes. And
19 that's, I think, the kind of accountability that
20 we need to begin focusing on in more strategic
21 ways. Let me give you an example of that.

22 You know, following a process can lead
23 to a number of conclusions, but if those
24 conclusions don't meet strategic goals in terms
25 of improving student success, increasing

1 graduation rates, creating a larger number of
2 individuals from Pennsylvania that have had the
3 benefit of a baccalaureate or other education in
4 our system to benefit the Commonwealth, then if
5 the process is followed, that's less important
6 than the result.

7 So I think one of the things is -- and
8 Sally may want to comment on this -- as they
9 looked at in their conversations, how do you
10 establish broad, important outcomes that every
11 citizen of the Commonwealth, every student, if
12 you will, can expect, but at the same time
13 create some flexibility for how institutions get
14 there.

15 SENATE MINORITY CHAIRMAN DINNIMAN:

16 Dr. Garland, I understand, but that
17 doesn't answer the question. The question is --
18 I understand the importance of looking at
19 outcomes rather than inputs. In fact, we did
20 the same recently in the Senate when we talked
21 about performance-based budgeting.

22 DR. GARLAND: True.

23 SENATE MINORITY CHAIRMAN DINNIMAN: But
24 the question is, if we're going to do the
25 independence, which I agree with, and give the

1 governing boards more, how then is the System
2 going to create the additional funding outside
3 of the State?

4 The State has a responsibility. But
5 listen, at this point, the State doesn't have
6 much money. And no one seems to be willing to
7 raise taxes to provide that. That's the
8 political reality in which we're in.

9 So the SRC, looking at that, the Mayor
10 said, I'm going to have the courage to do
11 something about this through the City of
12 Philadelphia, and we're going to take on some
13 responsibilities.

14 Rightfully or wrongfully; I'm not
15 justifying the State's actions. I'm not
16 justifying the debt. I'm not justifying the
17 fact that no one is willing to raise the
18 necessary revenue, but that's the reality.

19 What will the State System itself do?

20 I mean, I could point to you my own
21 university. It has raised over \$50 million in
22 terms of their foundation within the last year.
23 They built new buildings basically supported
24 through the institution.

25 So I'm interested in that as a model of

1 what can be done. So what I'm asking you is,
2 what is the State board and the State System
3 doing to try to create the financial support in
4 addition to simply asking the State to provide
5 more resources, which in my opinion it should
6 do, but I don't see the will here, looking at
7 the last several years, that that's going to
8 happen. Two percent doesn't do the trick
9 anyway, as you know.

10 So what are the other options to be more
11 self-sustaining that the State System Board is
12 aiming to do and you're aiming as a leader to
13 bring about?

14 DR. GARLAND: Sure. Now that I
15 understand the question a little more clearly,
16 let me provide hopefully a more thoughtful
17 answer to that.

18 First of all, just a background. For
19 most public comprehensive universities in this
20 country, there are largely two sources of
21 revenue: student tuition and fees and State
22 appropriations. More recently -- and
23 Senator Dinniman gave a great example of one of
24 our institutions with recent success in private
25 fundraising -- more recently, public

1 comprehensive and all of our institutions are
2 doing this, raising additional sources of
3 private dollars. That's absolutely essential.
4 I don't think you'll get any disagreement from
5 anybody currently working in higher education on
6 that.

7 The challenge is how much and how fast
8 can you raise those dollars. And that's
9 something that each one of our universities is
10 working at. Certainly, it's a priority of our
11 board as well as it is for each of the
12 presidents. And feel free to speak to the
13 presidents that are coming after us on the
14 amount of time and effort they're spending in
15 finding the donors, not just the annual funds
16 that many of us might be familiar with, but the
17 larger amounts of moneys that are in there.

18 We've had several universities that have
19 been able to complete \$50 million campaigns, and
20 that's been a big change for us. When I joined
21 with the System, a \$20 million capital campaign
22 was considered a real stretch. So clearly, the
23 notion of both raising more private dollars to
24 help benefit students -- and in many cases,
25 those dollars are going to support student

1 scholarships and other important things that
2 deliver quality in the classroom and provide
3 access to students.

4 There certainly is more that we can do
5 in that, but those dollars still are relatively
6 small compared to the actual dollars that come
7 in through appropriations and through student
8 tuition. So then the challenge becomes how do
9 you use those dollars most effectively in terms
10 of delivering what's necessary for the students
11 to get an education.

12 You cited the students of West Chester,
13 and they've certainly done a great job in terms
14 of looking at the available dollars that they
15 have within their general budget.

16 How can we best spend those to benefit
17 the students? In some cases, West Chester, that
18 was facilities, as the Senator clearly knows.
19 In many of our other campuses, it's about adding
20 program quality. It's about being very
21 strategic in the use of those dollars, as much
22 as being able to look at the venues in which
23 that may be able to raise additional dollars
24 through private giving, through philanthropic
25 efforts as well as even in grants.

1 So clearly, we all have to be doing our
2 share on this one. No one can sort of say, it's
3 somebody else's responsibility.

4 SENATE MINORITY CHAIRMAN DINNIMAN: All
5 I'm saying is that you have a different paradigm
6 now and that you have to be perhaps more
7 creative in public-private partnerships.

8 If you're going to be training in
9 specific areas, say as nurses, whether it's an
10 undergraduate or a doctoral program or in our
11 area in bio-pharma, then those companies also
12 need to be involved. What I'm only urging the
13 System to do is, as Ms. Johnstone said, there's
14 a new paradigm. Well, there's a new paradigm in
15 terms of the ability of States to do the
16 financing.

17 And until this body is willing to raise
18 that type of revenue, then part of the effort
19 now is how you transform that new paradigm.
20 Those were the two questions. I don't want to
21 take more time.

22 Thank you, Mr. Chairman.

23 HOUSE MAJORITY CHAIRMAN HICKERNELL:

24 Thank you.

25 Chairman Roebuck.

1 HOUSE MINORITY CHAIRMAN ROEBUCK: Thank
2 you, Mr. Chairman.

3 We talk about a State System of Higher
4 Education, but I've been in Harrisburg a number
5 of years now, and it seems to me that there has
6 always been not quite a State System, as such,
7 that very much we're sort of 14 separate
8 institutions that say they're a State System.

9 I remember when those individual
10 colleges would not even transfer credits amongst
11 each other. I think that's probably been
12 overcome now, but we certainly still, even
13 today, see ramifications when you have
14 enrollments spiraling very unevenly across 14
15 colleges that are part of a single system.

16 How do we create what is a single State
17 System in terms of enrollment, in terms of
18 curriculum, so that a student who applies to
19 that system gets the same education, whatever
20 college they go to, and might even be under a
21 system where if they don't get into choice B,
22 they'll go to choice C or whatever, but it is
23 the same education?

24 And I also recognize that you said in
25 your comments, Dr. Garland, about, you know,

1 many colleges have a local identity. But even
2 with that, if you're in a single system, there
3 have got to be greater levels of equality.

4 DR. GARLAND: Sure. A number of
5 thoughts on that question. It was a very good
6 question.

7 First of all, just in the context of
8 Pennsylvania, it's a very competitive, it's a
9 very large, well-built system of higher
10 education, public and private and all of that,
11 so students have a wide range of choices in
12 there.

13 So when we look at this, I think we need
14 to look also at the broader Commonwealth
15 picture, but let me take it back down to our 14.
16 So obviously, there is considerable overlap, if
17 you will, in terms of student interest across
18 our campuses. And that's something that the
19 institutions have certainly understood and
20 managed over the years.

21 We have built -- and thank you,
22 Representative, for talking about the transfer
23 and articulation system that benefits not only
24 from community colleges to any of our 14, but it
25 has also benefitted our 14 universities with

1 students who move around and look at other
2 opportunities that they may have if one campus
3 isn't really the one that they want to go to.
4 So there's been significant improvement of that
5 for the kind of transfer that students need in
6 that.

7 Building, I think what you're also
8 relating to is that every campus probably -- we
9 know every campus has a core set of academic
10 programs that are necessary to serve the region
11 directly at a level of quality, but many of
12 those campuses, because of the relative size, in
13 terms of new or different kinds of academic
14 programs, and I think the NCHEMS report pointed
15 this out well, is we need to figure out what is
16 the collaborative structure so that individuals
17 that may be at one institution where a
18 particular course or degree program/minor is not
19 being offered, that there is a very effective
20 way that those students can take advantage of
21 the talent and expertise across 14 campuses.

22 We have some of that now. They are any
23 number, and I would be happy to provide you with
24 some details on the collaborative academic
25 programs that are just at the baccalaureate,

1 masters and doctor levels for our students, but
2 also some of the efforts that the campuses are
3 undertaking in terms of filling in needed
4 courses in a degree program where there's a gap
5 in terms of the course, how students can access
6 those courses throughout the system.

7 So considerable work has been done on
8 that. We need to do more, but I think your
9 basic question, which is you should be able to
10 go -- students, as they look, and as Sally
11 mentioned, you know, generally attend within 50
12 miles of their home, but when they go to that
13 campus that's close by their home, how can they
14 be certain that they're getting everything that
15 that campus has to offer as well as other pieces
16 that may be involved at other system
17 universities.

18 That certainly is a goal and one that we
19 will be working on in this strategic redesign.

20 HOUSE MAJORITY CHAIRMAN HICKERNELL:

21 Thank you.

22 Representative Tallman.

23 REPRESENTATIVE TALLMAN: Thank you,
24 Mr. Chairman, and thank you folks for being here
25 today. I'm glad we're not being televised, but

1 my wife is an alum of one of the universities
2 that I'm going to mention -- no, I'm not going
3 to mention the name.

4 So we have three universities, at least
5 us House members know, that are not viable. I'm
6 talking about PASSHE schools. And I have
7 concerns because at least two of those are in
8 rural areas. And if they go away, then some
9 opportunities for those folks in those areas
10 disappear also.

11 So I'm going to disagree with
12 Ms. Johnstone a little bit. The economic
13 paradigm has changed. I don't think we have an
14 economic degrade; I think we actually have an
15 economic boom.

16 And it seems to me that the PASSHE
17 schools are not keeping up with the marketplace,
18 and I can reference schools that I know
19 personally. They just seem to do the same
20 things they did in 1940. And that's not where
21 we're at.

22 The student population, K through 12, is
23 declining in Pennsylvania; so, yes, we're going
24 to have less students going to PASSHE schools.

25 So what have we done at the

1 administration level to meet the demands of the
2 marketplace?

3 DR. GARLAND: Sure. I would be happy to
4 answer that question. First of all, I think
5 there are a lot of things that are very
6 different on our campuses than in 1940. And let
7 me site just the changing academic program and
8 the academic program mix on any of our campuses.
9 I would challenge and perhaps Sally would be
10 able to take this challenge for us, challenge
11 any other system of universities, in the past
12 five to seven years, in terms of the new degree
13 programs, redesigned degree programs, and
14 frankly, programs that were put into moratorium
15 and eliminated.

16 So for example, there's been a huge
17 swing in terms of our student enrollment based
18 on that student marketplace. And in areas, in
19 professional areas, in STEM areas, other areas
20 of the curriculum, there's been -- in fact, the
21 bulk of the new programs that have been
22 developed by our universities, I think about
23 two-third of them, have been related to STEM and
24 to specific things that we know from the economy
25 are necessary for our students to major in.

1 We've engaged over the past year and a
2 half with not only our own talented staff and
3 the System in working with other State agencies,
4 but also with national groups to really get a
5 handle and labor market needs of those regions
6 that our institutions serve?

7 What is it they need in the next five to
8 10 years in terms of degree programs,
9 certificates and the like, so we can continue to
10 tailor our degree offerings to what the
11 marketplace is providing.

12 So I would be happy to provide you more
13 detail on those. That's a critical part of
14 just, literally, in terms of meeting the student
15 demands and needs.

16 Secondly, universities have been
17 restructuring their administrative side, their
18 business service side. I think the presidents
19 that are going to come after us will talk about
20 some of the partnerships they're having with
21 other institutions. We have fewer employees.

22 We have streamlined administrative
23 operations to do business differently. I think
24 it takes both. One is, we have to know our
25 markets. Two, we have to know what is the

1 student's and the region's need. And we've
2 developed new resources to get even better at
3 that. And at the same time, what are we doing
4 to restructure the ways in which we do business,
5 the ways in which we teach?

6 For example, Clarion University, about
7 20 percent of their enrollments are online.
8 California and Edinboro also have a significant
9 portion of their enrollments that are online.
10 So there are many changes in terms of that.

11 Change is -- it's never as fast as
12 people want, but I would argue that there has
13 been amazing work done on each of our campuses
14 to better address the emerging market needs that
15 our students are presenting to us, that the
16 regional economies are demanding of us. And
17 then, looking inward, how can we restructure the
18 ways in which we do business and the ways in
19 which we teach to make it make sense for the
20 21st Century.

21 HOUSE MAJORITY CHAIRMAN HICKERNELL:
22 Senator Aument.

23 SENATOR AUMENT: Thank you, Mr.
24 Chairman.

25 Dr. Garland, thank you. Good to see

1 you. And Ms. Johnstone, thank you so much for
2 your testimony this morning.

3 I have a couple of questions about
4 governance and sort of the System as it relates
5 to sort of being a federation or a loose
6 confederation, but I think I'll wait on those
7 questions.

8 I want to ask you a little bit about the
9 budget process and the setting tuition process.
10 First, Dr. Garland, certainly from my
11 perspective, I think it's become readily
12 apparent that our State budget process is broken
13 and in desperate need of reform. I would be
14 interested to hear your perspective on the
15 challenges, the barriers to developing a long
16 range financial plan for the System and each of
17 the individual universities within the System as
18 a result of some of the budget challenges that
19 we've had here in Harrisburg and having the
20 annual budget process and having a collective
21 bargaining process that is separate from that
22 process, that obviously has a direct impact on
23 tuition and on your appropriation, on the
24 Board's appropriation request.

25 So I would be interested to get your

1 perspective on that and talk a little bit about
2 tuition decisions, how they're made and how that
3 relates to our State budget process on an annual
4 basis.

5 DR. GARLAND: Sure. And clearly, an
6 annual process and all of that sort of works
7 against a long-range, strategic direction in
8 terms of how you bring all of those pieces
9 together to make sense and work efficiently and
10 effectively. So I think one of the challenges
11 that we have with that, and I would point to the
12 closest one I can think of -- and Sally may have
13 some other examples.

14 The University System of Maryland
15 developed a compact with the General Assembly
16 and the Governor in Maryland looking at two and
17 three years down the road of what could be
18 expected in terms of appropriated dollars, what
19 that would mean in terms of the institution's
20 ability to manage tuition setting within those
21 dollars to come to a different place.

22 And there were very clear agreements on
23 both sides in terms of, if we're going to do
24 this over the next three years, you know, this
25 is what we want to see in terms of tuition

1 setting at the institutions. So it was more of
2 a sense of where is the long view in terms of
3 institutions and how they serve and how can they
4 make better longer term financial decisions when
5 they're not trapped in sort of an annual tuition
6 setting, annual budget setting cycle that
7 oftentimes works against more strategic
8 decisions and investments.

9 So I think that you're exactly right in
10 terms of being able to do that sort of thing.
11 So what we do in the budget setting process in
12 the System, Act 188 says we have to develop a
13 budget request that meets the needs of the
14 universities. So we certainly start with the
15 universities in terms of their realities, in
16 terms of their continuing, you know, a great
17 portion of our, as you alluded to, a great
18 portion of our budget is in personnel. That's
19 very typical of higher education.

20 So as we roll out, what does that mean
21 in terms of collective bargaining agreements?
22 What does that mean in terms of benefit rate
23 changes and all of that?

24 So we build with that along with, what
25 are the university's needs for maintaining their

1 facilities, general operating dollars, and sort
2 of begin to roll that process up literally. And
3 then we barely get the budget set for the fall
4 semester and we're already working on and what
5 is it going to look like for the next year. So
6 we're in sort of a constant budget development
7 process that leads to initial submissions in
8 October, considerations by the Governor in his
9 budget address. And then we're all back here at
10 the table.

11 And as you know, that happens every
12 single year. It's very hard in that process.
13 And we've tried over the years to really talk
14 about a longer view about State appropriations,
15 tuition setting and the directions of the
16 universities. It's hard in that cycle to really
17 stand aside and really look down the road at a
18 longer view.

19 SENATOR AUMENT: As you know, shifting
20 to a biannual or two-year budget process in
21 Pennsylvania would require a constitutional
22 change. It's something that I've been an
23 advocate of, and I typically talk about it from
24 the standpoint that I think it would give the
25 General Assembly more time for oversight and

1 holding agencies accountable.

2 I think there would be a benefit from
3 pro-growth economic planning, but I certainly
4 also see a benefit in terms of providing greater
5 predictability in terms of appropriations and
6 allowing for better long-range planning.
7 Pennsylvania had a biannual budget prior to the
8 1968 Constitutional Convention. It also had a
9 part-time legislature, but prior to the 1968
10 Convention, it had a biannual budget.

11 Ms. Johnstone, I'm interested in your
12 perspective. As you look at other States, best
13 practices in terms of budgeting at the State
14 System level as that relates to the general
15 appropriations of the General Assembly,
16 collective bargaining agreements, can you point
17 to any benefit in States that take a longer term
18 view, have a two-year budget process, more
19 predictable revenue streams?

20 Perhaps it's not a two-year budget. A
21 biannual budget may not be the answer, but
22 better budget processes that would serve the
23 System better.

24 MS. JOHNSTONE: Let me sort of dovetail
25 that with another big issue that's emerging

1 across the country, and that is the cost of
2 higher education from a student perspective and
3 families. Many States now are looking at
4 finding ways to guarantee, in a four-year
5 environment, if a student comes in as a
6 freshman, he or she and their families, or if
7 they are adults, are guaranteed the same tuition
8 during the period of time in which that student
9 has matriculated, regardless of, you know,
10 what's happening around in the swirl of
11 financial environments.

12 This is a fairly new development. And
13 we don't have evidence left as to how in the
14 world that's really going to work in the long
15 run, but we do know that's a very real public
16 demand. I would suggest that where we have
17 relationships between the higher education
18 community and open communication with the
19 legislature, which is enabled in some States
20 because of a lack of hard-set laws and policies
21 that say you must do everything all the time,
22 that it opens up the process a little bit so you
23 can have more open dialogue.

24 Now, typically you see that in smaller
25 States, Alaska being a good example. It's just

1 a smaller population, but the issues are played
2 out in the same way, so that they're looking at
3 ways in which they can hold constant the
4 expectation of expense from the public side as
5 well as sort of dovetailing into that a way in
6 which the budgeting process can be a little more
7 fluid to take advantage of the realities that
8 the institutions are committing to.

9 I can't point to a specific State that's
10 gotten this right because it's a challenge.
11 Again, we're working in an environment, as one
12 of your colleagues mentioned, where there is a
13 need for those of you sitting on that side of
14 the room to pay a great deal of attention to
15 accountability. And we have used the notion of
16 follow this process and then we know how to at
17 least justify accountability as opposed to
18 stepping back from that and changing some of
19 those parameters.

20 That is not simpler. I mean, there's
21 nothing simple about it. And again, I can't say
22 anybody has gotten it absolutely right. But if
23 we don't start that process, we're going to see
24 a terrific degradation in the educational
25 opportunities available to the citizens of the

1 Commonwealth. I don't know if that helps,
2 but --

3 SENATOR AUMENT: No, it does. I
4 appreciate your response on that process because
5 I think that is a challenge that we certainly
6 have to work through.

7 After the NCHEMS Report was released, I
8 invited a response from administrators, faculty,
9 students within the System. I received a number
10 of e-mail messages and phone calls as a response
11 to that. And in one of the e-mails -- I want to
12 read a statement and sort of ask you to respond
13 to it, if I could.

14 If the institution cannot make it
15 financially, based on its tuition, rooms, board
16 fees, State and Federal systems, then you have
17 to answer, are there too many State-owned
18 universities.

19 I would like to give you an opportunity
20 to respond to that.

21 MS. JOHNSTONE: I would be glad to
22 respond to that. I have my little cheat sheet
23 here. I just want to hold it up. I know you
24 can't see it completely, but it's the number of
25 post-secondary institutions in the State of

1 Pennsylvania. And one of the recommendations we
2 made was that nobody is looking at this
3 environment. There's no entity in the State to
4 pay attention to what's reasonable and what
5 isn't with regard to access to post-secondary
6 education.

7 Now, this includes the community
8 colleges, the publics, the privates, the
9 semipublic and privates, as well as the PASSHE
10 institutions. And it's not a surprise that you
11 see them clustered in areas of higher
12 population.

13 But what we're looking at here is a bit
14 chaotic. A chaos that is set in place, as I
15 suggested in my short remarks, during the period
16 of time in which the environment was different,
17 but the environment has changed. And yet, the
18 drivers of why these institutions are where they
19 are and how they operate has not changed, nor
20 has there been any serious attempt to look at
21 lowering the cost of operation. And that was
22 something I know Dr. Garland didn't really plug
23 into this, but it's a very important part of it.

24 Right now, the institutions, both
25 public, private and semipublic and private, are

1 operating within a framework that is demanded by
2 the accountability structures that you already
3 have in place.

4 Great. But as things change, there
5 needs to be the ability for a variety of these
6 institutions to begin better cooperation to
7 lower their costs of doing business. It's tough
8 to do in this environment, hence the
9 recommendations that we made.

10 So I would suggest in direct response to
11 your question or the statement that your person
12 who e-mailed you made, it's not that simple.
13 And if you begin to change some of the ways in
14 which, not free-for-all, but some of the ways
15 in which institutions begin to really work
16 together and enable that to happen, which right
17 now is pretty tough to do in the current
18 legislative and policy environment, then you can
19 begin to lower costs and make more institutions
20 much more viable and able to serve the specific
21 members of the public that they now serve and
22 hopefully even more in the future.

23 Hope that helps.

24 SENATOR AUMENT: It does.

25 MS. JOHNSTONE: Okay.

1 SENATOR AUMENT: Thank you both.

2 Thank you, Mr. Chairman.

3 HOUSE MAJORITY CHAIRMAN HICKERNELL:

4 Thank you, Senator.

5 Representative Longietti.

6 REPRESENTATIVE LONGIETTI: Thank you.

7 Two questions. One, you talked a little
8 bit about, you know, what States are doing to
9 manage costs. One of the items that came out at
10 the budget hearings when PASSHE testified was
11 that they saw a trend where people become
12 juniors, perhaps seniors, and they just can't
13 piece the money together. And so they think,
14 well, I'm just going to take a little bit of
15 time off and earn some money, then I'm going to
16 come back and they never come back. And I know
17 the System is trying to grapple with that.

18 I'm interested, from both of you, are
19 other State tackling that issue? And what is
20 PASSHE doing to try to hold those students at
21 the institutions?

22 MS. JOHNSTONE: One of the things that
23 other States are doing, and this is primarily at
24 an institution level, is they're looking at a
25 level of debt. And sometimes it may not even be

1 debt, but this bill is due and this has to
2 happen, and they're are creating micro grants.
3 The institutions always have a little bit of
4 discretionary money that they can apply in
5 different areas. And this seems to be a very
6 useful strategy for someone who owes \$50 in
7 library fines so they're not allowed to register
8 for the next term to just say, look, we'll
9 forgive the library fines, here's \$50 dollars.

10 It can range from \$50 to sometimes
11 several hundred, but those are typically the
12 monetary amounts that put students behind and
13 they can't figure it out. It's been a very
14 successful strategy across the country in
15 helping with student retention, particularly
16 toward the end of their time in higher
17 education.

18 MR. GARLAND: And if you want to ask the
19 question to our presidents, I think you would
20 get the answer that we began doing that several
21 years ago, in terms of those micro grants and
22 being much more sensitive to students' lifestyle
23 issues, the classic case of it's a car repair or
24 I don't come to campus and those kinds of
25 things.

1 So I think that's important. And I
2 think most of our institutions are certainly
3 very sensitive to that as they look at critical
4 elements of students' success. And that's one
5 of the areas where a lot of good work has been
6 done by our campuses.

7 Secondly, I would point to the fact that
8 the Board very quickly, as issues arose in the
9 area of really -- so the larger amounts. The
10 students who don't reregister for the next
11 semester come back in the summer because of a
12 \$1,000 or \$2,000 gap in terms of their ability
13 to put together financial aid, family resources
14 and their own.

15 And in that, it's been very helpful for
16 the institutions. And we started this several
17 years ago. They can use up to a certain
18 percentage of their general budget to sort of
19 look at that to be able to capture those
20 enrollments, continue those students, get them
21 to a point of success while not perhaps gaining
22 the entire tuition benefit of those students
23 doing that.

24 We recently, Board action as of Monday
25 evening, changed the rules for that to create

1 greater pathways for our universities to be much
2 more flexible and strategic in meeting student
3 needs as it relates to those gaps that are more
4 that the \$50 gap that Sally talked about, but
5 ones that are structural, so that we can find
6 those students, engage them in a conversation.

7 And actually, that's the dual benefit.
8 One is that, you know, it maintains those
9 students on a path towards success. And for our
10 universities, they're able to plan more
11 effectively the number of students that are
12 coming back for any of those semesters. So
13 that's important and an example of the kind of
14 flexibility the Board has taken to heart.

15 And immediately, upon receipt of the
16 NCHEMS, to look very carefully, what are we
17 doing in our policies that is getting in the way
18 of student success and the ability of our
19 institutions to meet the needs of their students
20 and move very quickly on that.

21 REPRESENTATIVE LONGIETTI: My other
22 question. You talked a little bit about -- so
23 they typically draw folks from the 50-mile
24 radius and you're figuring out what the regional
25 needs are educationally.

1 Talk a little bit about, though, and I
2 know to some extent PASSHE does this,
3 specialization. You know, one university
4 provides a program that perhaps is specialized,
5 that you know all the universities really can't
6 do, but perhaps there can be some collaboration
7 to make that work.

8 DR. GARLAND: Sure. Let me give you a
9 few examples and then Sally can --

10 MS. JOHNSTONE: Sure. If you'd like to,
11 yeah.

12 DR. GARLAND: -- talk about the national
13 project on that one.

14 Certainly, you know, different campuses
15 in the system, as many of you understand, are
16 known for different specialties. There are
17 clusters of degree programs, if you will. There
18 are institutions that are stronger in health
19 science. There are those that are in the arts.
20 We've had two or three campuses who move more
21 into the engineering areas and specialized
22 engineering areas.

23 So I think that it's clearly -- and
24 typical of universities around the country like
25 ours, it's important to have a core set of

1 economic programs, but then what are those
2 logical clusters of specialized programs that
3 are going to typically draw from larger than a
4 50-mile radius, more what we call destination
5 programs, where individuals will go to where
6 that program.

7 So I think that's a good mix. In a
8 number of those, and I'll give an example in
9 social work at the graduate level, where there
10 are certainly strengths at a number of
11 institutions, but building out a strong master's
12 programs for years -- I'm thinking seven, eight,
13 ten years ago -- Shippensburg and Millersville
14 did a joint, the first in the country, joint
15 master of social work that was accredited by the
16 national association.

17 Millersville is working with Kutztown
18 University on a doctor of social work. So those
19 are the kind of specialties that not every
20 campus has.

21 But then also, how can we share those
22 specialties and special strengths in our faculty
23 and the towns and our campuses?

24 How can we create opportunities for our
25 students in a broader geographic area?

1 And clearly, that was pointed out in the
2 report in something that I think will be
3 essential for us to do in terms of maintaining
4 both institutional viability and lowering
5 operating costs.

6 MS. JOHNSTONE: Quick example. I served
7 as a provost at a public comprehensive in
8 another State, but one of the big needs that
9 arose, particularly in rural hospitals in those
10 States, was greater proficiency on the part of
11 the nursing staff because they had a very
12 difficult time attracting physicians in the
13 numbers that they needed. And the determination
14 was, again, statewide that there was indeed a
15 need for a doctoral program and nursing
16 practice.

17 So it upped the ante in terms of what
18 the more rural hospitals had available to them
19 with regard to talent. The way we accomplish
20 that, because no one campus had the resources to
21 be able to do it, is we did a collaborative
22 program that actually, I think, started with
23 four campuses. Three stuck with it.

24 All the faculty involved in that program
25 among those three campuses worked together to

1 develop the program that could then be shared,
2 and it was a blended learning environment so
3 those students at campus A would sometimes take
4 online classes and sometimes have a faculty
5 member in the classroom; same with campus B;
6 same with campus C.

7 It was a very successful program and
8 financially viable only because three campuses
9 chose to work together to make it happen.

10 REPRESENTATIVE LONGIETTI: Thank you.

11 And I'm sure Senator Aument is very
12 interested in the blended learning, both at the
13 K through 12 and university level.

14 Thank you both.

15 HOUSE MAJORITY CHAIRMAN HICKERNELL:
16 Representative Fee.

17 REPRESENTATIVE FEE: Thank you. Thank
18 you for your testimony.

19 My question goes to Ms. Johnstone. You
20 had mentioned in Tennessee they partner with
21 their technical schools. And just as a personal
22 story, my future son-in-law graduated from
23 Thaddeus Stevens, out working, has a great
24 career and is thinking about going back to
25 school while he works to broaden his

1 opportunities --

2 MS. JOHNSTONE: Great.

3 REPRESENTATIVE FEE: -- for his career
4 going forward. Yeah, and is doing it in a very
5 financially well way for himself.

6 But how does that work in Tennessee?

7 How does that partnership work in
8 Tennessee, and could that happen here in
9 Pennsylvania?

10 MS. JOHNSTONE: It's not just Tennessee.
11 There are a number of States in which they have
12 combined their public comprehensives and their
13 technical and community college systems.
14 Tennessee is one example. Minnesota is another
15 example.

16 And whether or not Wisconsin sticks with
17 what they're doing, I'm not sure because it's in
18 flux at the moment. It has been a total system
19 that includes the community colleges as well as
20 the universities statewide. There are other
21 States and systems that have done this.

22 It has pluses and minuses because the
23 cultures of -- I'm going to call them two-year
24 schools. It's not really time dependent, but
25 the two-year schools and the four-year schools

1 operate very differently.

2 In the environments in which I have had
3 experience, the only way to really open up those
4 kinds of partnerships is to go back to campuses
5 that choose to partner. So even though you have
6 an overall system and there are funding
7 decisions and policy decisions that are made
8 comprehensively, to have it work well, you have
9 to have agreement among the faculty at the
10 partnering institutions, so that the faculty at
11 the four-year institution have communicated well
12 with the faculty at the two-year institution as
13 each develops their curriculum.

14 So a student coming through the two-year
15 program flows right into the four-year program.
16 And the people with the four-year program look
17 at those students coming out of the two-year
18 program, and they're meeting all those same
19 requirements and outcomes that would be expected
20 of the students that they've taught since they
21 were freshmen.

22 It's a culture change. And it's time
23 consuming, but it pays off because it pays off
24 for the student.

25 Does that help?

1 REPRESENTATIVE FEE: Yes, absolutely.

2 Thank you.

3 HOUSE MAJORITY CHAIRMAN HICKERNELL:

4 Just a point of clarification. Both of you have
5 talked a lot about cooperation and
6 collaboration, and I certainly agree with that.

7 Are you aware, are there any barriers,
8 let's say in the APSCUF contract, that would
9 create problems with collaboration or
10 cooperation?

11 Are you familiar with anything that
12 could be a barrier there?

13 DR. GARLAND: Sure. I mean, at the
14 core, and I think Sally got to it. The issue is
15 sort of the culture of institutions and how they
16 approach developing curriculum and sharing
17 opportunities. I mean, that's at the core of
18 making that work and that exists with or without
19 a collective bargaining agreement, so those
20 relationships are essential in the process.

21 I think, and I'm just -- that as we look
22 at what might become more blended opportunities
23 for students and more collaborative degree
24 programs across our campuses, where there may be
25 some issues there that we need to work through

1 with our faculty in terms of, you know, can a
2 faculty member, for example, be hired at one
3 institution but also be the clear professor of
4 record, if you will, for key upper division
5 courses at another university to meet their
6 degree requirements?

7 Those kinds of things maybe, because
8 they're not the normal ways we've done business.
9 So certainly, I think some of those things we
10 may need to think through in terms of the
11 collective bargaining agreement. But at the
12 core of that, it has to be an understanding and
13 that the faculty really wants to build things
14 together, just as they do on their own campuses.

15 The notion with community colleges --
16 with other campuses, many of the collaborative
17 degree programs that have been developed in our
18 system, key faculty have come together and said,
19 we need to make this work and we value each
20 other and we also value what we can deliver for
21 students and improve quality and access. And so
22 we make those commitments to make that happen.

23 We've been able to work through any
24 number of those at our university. So it's --
25 going forward, certainly, as we've said from the

1 beginning of your review on this one, everything
2 -- we have to look at everything and figure out,
3 are there any pieces that we need to change that
4 will create better opportunities for our
5 students, help us to manage the cost of
6 education and maintain the quality that's
7 essential for everyone.

8 HOUSE MAJORITY CHAIRMAN HICKERNELL: And
9 as I recall, you're in the process right now of
10 beginning to negotiate a new contract, I
11 believe, for next year.

12 DR. GARLAND: We've concluded a one-year
13 contract, so we will not technically be at the
14 table again for some time, but I think this is
15 -- we're hoping that -- this is a critical time
16 with the system review going or the redesign
17 conversations going on and that we don't have to
18 be directly at the table, that we can have those
19 meaningful conversations with faculty leadership
20 throughout the system in terms of how do we
21 start thinking of doing business differently and
22 what, in a sense, do we want to think -- back to
23 the point you raised -- are there barriers, are
24 there things here that we need to start talking
25 about in terms of how do we begin to make that

1 work?

2 And do the studies -- we have a couple
3 of studies, joint studies, underway at this
4 point. How do we start looking at some of those
5 key things now in terms of before we get into
6 formal negotiations to try to work through some
7 of those issues that are necessary.

8 HOUSE MAJORITY CHAIRMAN HICKERNELL: I
9 just have one really quick question that I
10 thought would come up, but it didn't. When I
11 first, you know, read through the report and
12 recommendations, I was surprised that the
13 reports specifically said that the system should
14 not consider any mergers or closing of any of
15 the 14 State universities. And not that I'm
16 suggesting that that's the direction that we
17 need to go, but I'm curious, is that a direction
18 that came from the State System to
19 Ms. Johnstone and her group, or was that
20 something that came as a result of the study,
21 back to the university system?

22 And if so, you know, what was logic of
23 basically closing a door on an option there?

24 MS. JOHNSTONE: This was a very unusual
25 study that we did. We were hired by the State

1 System to do the study, but we agreed upfront
2 that we would be completely independent. There
3 is no one in the State System that had any idea
4 what this report was going to look like until it
5 was shared with all the constituents that were
6 interested in what was going on. There was no
7 directive from the State System, the staff, nor
8 the Board to, you know, do this or work within
9 these guidelines.

10 What we demanded, in doing this work,
11 was we are going to look at everything. We're
12 going to look at data. We're going to look at,
13 you know, data that is numbers, and also data
14 that comes from interviews that we did with the
15 host of individuals with whom we spoke.

16 The reason and the rationale for that is
17 that we have watched other States spend so much
18 time, effort and money on merging institutions
19 that five years into it, they're still fighting
20 the battles of which mascot gets to be the
21 leader, whose school colors are going to be
22 involved here.

23 Each institution has its own, as we
24 said, culture, but also alumni, supporters,
25 detractors, everything else. And it is, which

1 we tried to spell out in this report, far easier
2 to just say, institution A, stay in place. You
3 have a president. You have some key
4 administrative folks, and your teams will stay
5 the same. The school colors, the publications
6 of the students, the way in which the students
7 work together will stay the same. And
8 institution B, the same thing.

9 However, behind the scenes, something
10 else is going to happen. Each of the
11 institutions should look for one or more
12 partners with which they can work and figure out
13 what's critical to stay on a campus in terms of
14 a service. And those services that directly
15 impact students directly should stay on a
16 campus. And those that can have a
17 representative framework on a campus, but have a
18 more shared staff among multiple institutions
19 basically becomes what you might think of as a
20 merger, but it's not a merger by changing
21 everything. It's a merger behind the scenes, so
22 that the students, the alumni, et cetera, the
23 institution stays intact. And it does, it's
24 just some of the things that are going on are
25 done in shared ways that make everything more

1 cost effective.

2 Does that help?

3 HOUSE MAJORITY CHAIRMAN HICKERNELL: It
4 does. Thank you.

5 Chairman Eichelberger.

6 SENATE MAJORITY CHAIRMAN EICHELBERGER:
7 Just to close out things here for this segment
8 -- and I'm sorry I was late. What you just
9 said, under the union contract today, is near
10 impossible to happen, correct?

11 (No response.)

12 SENATE MAJORITY CHAIRMAN EICHELBERGER:
13 I appreciate that straightforward answer on
14 that.

15 MS. JOHNSTONE: Unions or union
16 contracts?

17 SENATE MAJORITY CHAIRMAN EICHELBERGER:
18 Well, the teachers' contracts.

19 MS. JOHNSTONE: Well, it's more than
20 just --

21 SENATE MAJORITY CHAIRMAN EICHELBERGER:
22 You talk about sharing staff and doing things,
23 I'm assuming you're talking about teaching
24 staff.

25 MS. JOHNSTONE: I'm talking about all

1 staff. Yes.

2 SENATE MAJORITY CHAIRMAN EICHELBERGER:

3 Well, okay.

4 MS. JOHNSTONE: Yeah. Yeah.

5 SENATE MAJORITY CHAIRMAN EICHELBERGER:

6 So is the contract as bad for the other unions
7 as it was for the APSCUF contract that we just
8 solved?

9 MS. JOHNSTONE: I'm not sure I can
10 answer that. I would have to rely on Dr.
11 Garland to fill in the gaps, but what we were
12 trying to do in this report is create a vision
13 for a future, not saying, implement this
14 tomorrow, because there's so much that's
15 currently in place that will need to be modified
16 toward a vision.

17 And all of the details, as we all know,
18 have to be worked out in very specific ways.

19 Dr. Garland, do you want to respond to
20 the other --

21 DR. GARLAND: Yeah. Certainly. I think
22 the NCHEMS vision of what that collaboration
23 looks like is certainly beyond what we have
24 traditionally done in the System, but I would
25 argue that in a lot of ways, and affecting every

1 one of our unions, including the faculty union,
2 we have developed collaborations. We have joint
3 offerings. We have combined services in back
4 office services that involve some of the unions.

5 Those things have been part of our
6 culture, I think, for a long period of time. So
7 the challenge, I think, goes from where we are
8 currently doing that with some success, a
9 broader vision and one that, clearly, we will be
10 taking that vision and making it more specific
11 and real in the coming months.

12 What does that mean in what might become
13 necessary changes in any of those collective
14 bargaining agreements?

15 That's what we'll be working on in the
16 near future on that one, but I think with that
17 vision of a greater, more robust set of
18 collaborations that both create benefits in
19 terms of quality and continuity and stability of
20 services to those important students in the
21 regions of the Commonwealth, but also begin to
22 reduce the operating costs of individual
23 campuses.

24 SENATE MAJORITY CHAIRMAN EICHELBERGER:

25 Okay. Well, let me just say, too, that the

1 legislature is taking on their own study right
2 now.

3 I was troubled by some comments from the
4 Chancellor, last week in a conference call we
5 had, who suggested that -- not suggested, but
6 said repeatedly -- the PASSHE was partnering
7 with RAND, the RAND Group, in this review.

8 I would point out for the record that
9 we're not looking for a partnership here. We're
10 looking for somebody to come in and do an
11 objective review of PASSHE. We expect
12 cooperation. We want to see things. We want
13 data. We want information. We want access to
14 people. But we don't want a partnership. We
15 don't want direction from PASSHE on this.

16 We want to see what's happening. We had
17 some skepticism because of things that were said
18 after your report was delivered, Ms. Johnstone,
19 about being told by the Board or by somebody at
20 PASSHE that you weren't to look at the Cheyney
21 situation. And then that was taken back at some
22 point or at least someone else said, well, that
23 wasn't quite what was said. And someone -- I
24 don't know how that ever ended up, but it was
25 difficult.

1 I'm not putting words in
2 Chairman Hickernell's mouth, but when we looked
3 at this report, it was difficult for us, knowing
4 the situation here, to see a report where there
5 were no recommendations on the very dire
6 circumstances that a couple of these
7 universities are facing, and that if we just
8 make some changes to governance and we work
9 better together and we collaborate, we can work
10 things out.

11 Then we look at the Union contract, and
12 it stops collaboration in every way possible.
13 And we could get there if we, you know, get the
14 votes and the Union agrees to all the things and
15 they make exceptions and so on, but that's not a
16 good way to operate.

17 I mean, we've got to have a pathway to
18 get things done. And I'm concerned about that.
19 And I'm also concerned in the testimony that was
20 given to us from PASSHE that has a section here
21 that says, we are also eager to discuss these
22 actions we have taken that are already
23 addressing issues contained within the address
24 for proposal -- you're talking about the request
25 for proposal for RAND, which PASSHE has

1 obviously reviewed -- and look forward to
2 reading its findings concerning a statewide
3 post-secondary education coordinating policy
4 entity.

5 That's not part of the charge for the
6 RAND Group. They're are not to look at that.
7 They're to give us, again, an objective review
8 of what PASSHE is doing. So I don't, you know,
9 I'm going to say plainly, I don't want any
10 manipulation from PASSHE with this new review
11 process that we're undertaking at a great cost
12 to the taxpayers, so that we get another opinion
13 about what the problems are in the system.

14 I just want to say that for the record.
15 I think we're ready to move on to our next
16 testifier.

17 Oh, you have a couple more here.

18 HOUSE MAJORITY CHAIRMAN HICKERNELL: We
19 have two more.

20 Representative Schlossberg.

21 REPRESENTATIVE SCHLOSSBERG: Thank you,
22 Mr. Chairman.

23 Sorry, Senator, for continuing to go
24 here.

25 I just had a couple of quick questions

1 on one of the issues that I was hoping to see a
2 little bit more of within the report, and that's
3 the concept of trying to modernize cost controls
4 in other ways. And I will use this as an
5 example. I have three colleges in my district,
6 private schools.

7 I find them increasingly shifting
8 towards digital textbooks and continuing to rely
9 on digital means as a method of controlling
10 costs. I'm curious if that's something that
11 PASSHE can address, needs to address and what
12 barriers might be in place to stop us from
13 getting there?

14 DR. GARLAND: We certainly, along with I
15 think most colleges and universities across the
16 country are looking at a very different way to
17 offer instructional resources, digital text and
18 the like to students, to both reduce costs. And
19 in some cases, as faculty members often comment,
20 you know, worried about students saving that
21 \$100 on a textbook, not getting it and really
22 not being able to engage in the class as fully
23 and richly as they are.

24 So maybe those offer both more immediate
25 access to the instructional resources that are

1 available, but also at reduced costs. So all of
2 that is going on. It's a lively conversation on
3 and across our campuses, along with the major
4 textbook companies.

5 They all know that's the future of
6 delivery of those materials. And so we're all
7 moving towards that, and I think in very similar
8 ways.

9 MS. JOHNSTONE: A number of States are
10 also picking up the banner of open education
11 resources and basically creating plans to move
12 toward very low cost open text resources, not
13 free because there are still costs involved, but
14 exceedingly low costs. And we're seeing that
15 movement really develop across the country.

16 SENATE MINORITY CHAIRMAN DINNIMAN: It's
17 already been done in Pennsylvania in the School
18 Code bill that I put in. All textbooks are to
19 be digital by 2020. And we started a series of
20 programs, so that is in the process here, as
21 well.

22 And your question was excellent, but I
23 wanted to assure you. And the State Board has a
24 responsibility of a commission that reviews
25 textbooks and continues to meet on a quarterly

1 basis.

2 REPRESENTATIVE SCHLOSSBERG: Good to
3 hear. Thank you all.

4 That's what I get for asking questions
5 after the bell. All right.

6 HOUSE MAJORITY CHAIRMAN HICKERNELL:
7 Senator Tomlinson.

8 SENATOR TOMLINSON: Has there been any
9 study done on the effect of the Commonwealth
10 campuses of Penn State? I mean, we do these
11 large appropriations, the non preferreds
12 leveraged in the budget, a huge amount of money
13 spent.

14 Have you ever done any study to see if
15 they're affecting the competition to our
16 State-owned campuses that we actually own?

17 Penn State is really not a State school,
18 so I'm surprised a lot of people don't
19 understand that, but is there any study to see
20 what effect the Commonwealth's campuses have had
21 on our State schools?

22 DR. GARLAND: No. I'm not aware of
23 those studies. Obviously, you know, with the --
24 as Sally pointed out on her map and the
25 incredible array of institutions, there are

1 effects. We just don't know what they are.

2 That would be certainly something that
3 if we were to create a statewide policy entity
4 for higher education, it would be one of the
5 issues they might want to look at in terms of,
6 you know, the number of institutions in the
7 Commonwealth and where the Commonwealth
8 resources are going and what the effects are on
9 students and their ability to get an education,
10 but that's one of the things that I think we
11 have talked about is missing in the equation in
12 terms of understanding Pennsylvania higher
13 education.

14 REPRESENTATIVE TOMLINSON: Yes. I mean,
15 we're very, very rich in our diversity of higher
16 education in Pennsylvania, a lot of the small,
17 little private schools, but they don't get an
18 appropriation. We're actually working against
19 ourselves in giving an appropriation to somebody
20 who is taking students away from the State
21 System in my opinion, but I wondered if you had
22 done any study on that or looked at that.

23 I've questioned that for many, many
24 years.

25 DR. GARLAND: Right.

1 SENATOR TOMLINSON: Not that we would --
2 I know we couldn't politically not give that
3 money to those schools, give the non preferreds,
4 but it seems to me we're working against our own
5 best interest if this is our system.

6 DR. GARLAND: Yeah. I mean, certainly
7 -- and for many of those Penn State branches as
8 well as our campuses, the students come from
9 around 50 miles, so there is considerable
10 overlap in the consideration if not enrollment
11 of students to branch campuses of Penn State and
12 to our campuses. So certainly that is something
13 that bears some scrutiny.

14 SENATE MINORITY CHAIRMAN DINNIMAN:
15 Mr. Chairman, just a very quick comment.
16 Did you utilize the study that -- we
17 brought everyone together, you remember, under
18 the Corbett Administration. We were asking
19 these very same questions. We brought in the
20 private sector, as Senator Tomlinson knows. We
21 brought in the Chancellor from our system.

22 And that was in part because Tommy's
23 question is so good.

24 Was that study, and the data prepared
25 for that study -- that document is this thick

1 and it sits on shelves.

2 After we spent all that time, was that
3 utilized in answering some of these question?

4 DR. GARLAND: Certainly. I can tell you
5 that within probably hours of agreeing to work
6 with the NCHEMS people, we provided a rich set
7 of resources, not only just data flows in that
8 one, but also any recent evaluation of
9 Pennsylvania Higher Education for their use to
10 look at that as well as any available underlying
11 data that was in there.

12 So we wanted them to be able to see what
13 Pennsylvania was and what we had done to date,
14 as well as to be able to take a fresh look at
15 all of that data.

16 SENATE MINORITY CHAIRMAN DINNIMAN:

17 (PORTION OF AUDIO MISSING)

18 Mr. Chairman, what we need to do is
19 define the paradigm in a macro sense, what we're
20 dealing with with change. And then in the micro
21 sense, figure out how all of these systems fit
22 together, because it's quite clear that there's
23 been a fundamental paradigm shift in the
24 economy. And we now have to figure out if
25 everything fits together.

1 So that's why I was asking because I
2 thought that so much time and effort was spent
3 on that report, including the time of all of the
4 leadership of the institutions. And for it to
5 sit on a shelf is hardly the answer.

6 And I think what Senator Eichelberger is
7 trying to say -- and I don't put words in his
8 mouth either -- is that we really need to make
9 sure that this doesn't sit on the shelf either.

10 DR. GARLAND: Right.

11 SENATE MINORITY CHAIRMAN DINNIMAN:

12 Thank you.

13 DR. GARLAND: And I want to assure you
14 that the data that we have and the opportunity
15 to share any of that data with the RAND
16 Corporation -- it's clearly designed for them to
17 be able to meet that same goal of everyone
18 should have all the publicly available data that
19 we have on that one, but not to necessarily
20 drive toward any certain decisions.

21 HOUSE MAJORITY CHAIRMAN HICKERNELL:

22 Thank you both very much for your testimony and
23 for answering all of our questions.

24 SENATE MAJORITY CHAIRMAN EICHELBERGER:

25 Okay. The next group is -- we have three people

1 scheduled and only two are here this morning:
2 Dr. Christopher Fiorentino, West Chester, and
3 Dr. Marcia Welsh, Stroudsburg.

4 Welcome. If you can get right to your
5 comments. We're running behind schedule.

6 DR. WELSH: I'm Marcia Welsh, President
7 of East Stroudsburg University, which is one of
8 the 14 institutions of the State System. We're
9 actually the youngest of the institutions,
10 getting ready to celebrate our 125th
11 anniversary.

12 Like all of the State System schools, I
13 believe except one, we started as a two-year
14 normal school, worked our way through the
15 progression of different types of colleges and
16 are now a comprehensive university. We have
17 always had a long-standing tradition of being
18 student-centered and now consist of four
19 academic colleges: arts and sciences, education,
20 business and management and health sciences.

21 ESU is located in northeastern
22 Pennsylvania, in the area known as the Pocono
23 Mountains region. And so it is in a beautiful
24 area close to the Delaware Water Gap.

25 We currently offer 55 undergraduate and

1 23 graduate degrees. We have a student body of
2 about 6,740 students. It's kind of mid-range
3 for the State System. We're 57 percent female,
4 43 percent male. And 21 percent of our students
5 are out-of-State. Two percent are international
6 and represent 26 different countries.

7 Our highest enrolled academic programs
8 at ESU are business management, biology,
9 criminal justice, exercise science, psychology,
10 nursing and athletic training. We're located
11 near the Delaware Water Gap National Recreation
12 Area and have a 258-acre campus comprised of 66
13 buildings located in the East Stroudsburg
14 Borough and in Smithfield Township.

15 The campus hosts facilities for academic
16 construction, nine residence halls, housing
17 almost 3,000 student, two recreation facilities,
18 a 1,000 seat dining hall and a science and tech
19 center that boasts classrooms and laboratory
20 facilities as well as a planetarium, a rooftop
21 observatory and a museum of natural history.

22 We also are very proud to have a Center
23 for Innovation and Entrepreneurship that houses
24 a nationally known wildlife DNA laboratory, a
25 business accelerator and 18 new startup

1 companies, some owned and operated by our own
2 faculty and students.

3 I'm entering my sixth year as President
4 of ESU and am very honored to be here to testify
5 on behalf of our institution, which is a pillar
6 in our community, not simply by educating our
7 amazing students, but also as an economic driver
8 in the northeast region of the Commonwealth.

9 To put our institution's impact in
10 perspective, a 2015 report prepared for the
11 State System showed that ESU generated \$14.64 in
12 the economy for every dollar invested by the
13 Commonwealth. While we consider our university
14 to be a healthy investment, I might add that at
15 the time of the report, ESU's economic impact
16 was the highest of all 14 universities in the
17 Commonwealth.

18 And today, ESU continues to participate
19 in the economic development of our region by
20 hosting an annual economic outlook summit that
21 creates a continual conversation among leaders
22 in Monroe County as well as being heavily
23 involved in the Monroe County 20-30 Plan and in
24 East Stroudsburg Borough Comprehensive Plans.

25 All of us at ESU take great pride in our

1 institution's solid academic programs. I think
2 that you know that all of our institutions do
3 educate students that go out into our
4 communities upon graduation. Our teacher
5 education initiatives continue to produce many
6 great teachers as well as administrators in
7 leadership positions, such as superintendents
8 and principals throughout the Commonwealth as
9 well as in many other States.

10 Our programs in STEM, such as biology
11 and chemistry have become great feeder programs
12 for our students who pursued career
13 opportunities in the region, particularly with a
14 nearby Fortune 500 company that is one of the
15 largest pharmaceutical companies in the world,
16 Sanofi Pasteur.

17 Our College of Health Sciences provides
18 an array of strong, high-demand career programs
19 from athletic training and exercise science to
20 nursing and public health. These programs
21 support the increasing demand of health care
22 employers, not only in our region, but
23 throughout the Commonwealth. I could take most
24 of your day talking about how amazing our
25 students are and what they do when they leave us

1 and become successful graduates. And I'm sure
2 that in order for us to continue to do that, we
3 will need the support of the Commonwealth.

4 Despite the enrollment and financial
5 challenges we face as a public institution of
6 higher education, I remain optimistic about
7 ESU's ability to provide students with a strong
8 accessible education that prepares them for
9 today's ever-changing global society. Many
10 speak about the un sustainability of the State
11 System as it stands. And it, indeed, does keep
12 me up at night.

13 As the State System Review clearly
14 highlighted, and as was just discussed with you
15 earlier, Pennsylvania's 14 public universities
16 are on course for perpetual decline if we don't
17 pay attention to the challenges that face us.
18 I'm here today to bring to light our challenges,
19 the most critical being a decline in the number
20 of high school graduates, even though I must
21 say, ESU's enrollment has remained steady for
22 the past five years, but in addition, the
23 diminished State support.

24 While all of us at ESU must do our part
25 to remain competitive in the recruitment of new

1 high school graduates, transfer students and
2 nontraditional students in order to meet our
3 enrollment goals, I'm here to also speak about
4 unsustainable expenditures or those financial
5 obligations we refer to as mandates from State
6 and then local levels. Such mandates include
7 systemwide collective bargaining agreements that
8 are negotiated for us despite the varying degree
9 of differences among our universities, and with
10 not negotiations, including how these bills will
11 be paid.

12 It also includes local mandates and over
13 regulations that hinder building projects, such
14 as our proposed student center that has been in
15 the local approval process now for five years.
16 Such mandates, coupled with the outdated
17 regulations and compliance created for
18 Pennsylvania's public universities by an aging
19 and inflexible governing structure created by
20 Act 188, create a nearly impossible structural
21 financial fault that institutions like ESU
22 cannot shoulder without driving expenses for our
23 students far beyond their ability to pay.

24 While Act 188, the founding legislation
25 of our System, requires us to operate as a State

1 agency, more than 75 percent of the revenue
2 necessary to operate ESU and other schools like
3 us comes from our students and their families.
4 This disparity produces inflexibilities and cost
5 impediments that state relateds and private
6 institutions don't have, ultimately placing
7 State-owned public institutions like ESU at a
8 disadvantage for recruitment and ultimately
9 survival.

10 Like all other State agencies, the
11 universities within the State System are
12 structured with significant political red tape,
13 increased costs and outdated regulations. These
14 hurdles keep institutions like ESU from
15 capitalizing on things that would bolster our
16 recruitment, such as innovation, individuality,
17 creativity, new venues for learning and speed to
18 meet market demand for new credentials. Much of
19 this inflexibility continues to hinder our
20 efforts to operate as efficiently as possible
21 without passing the extra costs on to our
22 students and their families.

23 I want to share an example based on our
24 university's budget for this year. In the past
25 month, as we struggle to make sure we presented

1 a balanced budget to the State System, ESU alone
2 was hit with nearly \$3 million in additional
3 debt based on activity that was out of the
4 control of our institution's Council of Trustees
5 and administration. We will now be required to
6 find funds to pay for a new one-year faculty
7 contract, to face a reduction in the allocation
8 of State System performance funding taken from
9 the appropriation allocation and to prepare to
10 pay our share of the State System obligation to
11 absorb a portion of another university's debt.
12 These are our fiscal realities.

13 This leaves me to ask all of you this
14 question, how do you pay for a bill that you
15 don't know is coming, knowing that there is no
16 new revenue accompanying it, while still leaving
17 you obligated to balance your budget?

18 It's a question our leadership is all
19 too familiar with, but painful nevertheless,
20 especially as we all remain 100-percent
21 committed to our students and continue to do
22 everything possible to make their learning
23 experience the best and most affordable it can
24 be. As important as it is for you to understand
25 our fiscal challenges that stem from the

1 unsustainable cost structure of our system, it's
2 equally critical for you to know that these
3 obligations are in turn passed on to our
4 students, as they currently pay between 70 and
5 80 percent of the costs associated with
6 operating our university.

7 Our operational costs continue to
8 increase at a rate of five to six percent a
9 year, while our revenue only increases two to
10 three percent. We need the support of you, our
11 legislators, as we tackle the challenge of
12 reshaping the current financial model as a
13 system and university. If we were to continue
14 as we are, we would need to see a substantial
15 increase in enrollment every year indefinitely.
16 And I think we can all agree that such
17 circumstances are unrealistic, given the
18 continual decrease in the Commonwealth's high
19 school graduation numbers, changing
20 demographics, the stagnant number of students
21 attending college in the region, the number of
22 post-secondary institutions in Pennsylvania and
23 neighboring States, growing competition from
24 online programs and a variety of other factors.

25 It's fair to say that the presidents and

1 trustees of the State System universities have
2 little control over their revenue and even less
3 over the major expenditures, which are largely
4 associated with personnel costs. Within our
5 control of the issue, we continue to work to
6 save as much as possible through nonfaculty
7 position reductions and realignments, annual
8 cuts and discretionary operating budgets, which
9 total less than five percent of the entire
10 budget and simply being as frugal as possible.

11 We have a number of vacant positions and
12 other bargaining units in management. And while
13 they have helped our bottom line, the vacancies
14 hurt us in terms of serving our students and
15 keeping ESU operating effectively. And so we
16 will continue to look for cost-saving measures,
17 new funding sources and further ways to
18 restructure or realign some positions and
19 offices.

20 These efforts are coupled with what
21 we've been doing at ESU for the past few
22 difficult years. In addition to cutting our
23 costs and budgets, we have outsourced a
24 significant number of operations, specifically
25 facilities maintenance to some facility-owned

1 residence halls for a savings of \$250,000 and
2 the same for our student center for an
3 additional \$200,000.

4 At the beginning of this year, we
5 outsourced a portion of our student health
6 services to Lehigh Valley Hospital Pocono for an
7 estimate \$400,000 in savings. I'm pleased to
8 report that these outsourced initiatives did not
9 result in any personnel cuts thus far, but we
10 are nearing our capacity to continue to do this
11 despite further consideration of additional
12 outsourcing opportunities.

13 At ESU, we also formed the State System
14 Northeast Regional Procurement Collaborative
15 with our sister institution, Kutztown
16 University. This initiative set an example for
17 other State universities to follow. The
18 collaborative was developed with the intent to
19 share procurement services.

20 The collaboration has thus far enabled
21 both universities to create efficiencies,
22 economy of operations and cost-savings
23 opportunities. Just last week, the institutions
24 met to discuss opportunities to further expand
25 this collaboration.

1 In conclusion, I know that we as a
2 university will continue to work with what we
3 have in order to provide our students an
4 outstanding educational opportunity despite the
5 struggles we face. Further, we look forward to
6 working closely with the System, the Board of
7 Governors and our committed legislators as we
8 find solutions to these challenges that will
9 help us shape a new future for the Pennsylvania
10 State System of Higher Education for generations
11 of students to come.

12 Thank you.

13 DR. FIORENTINO: I'm Chris Fiorentino.
14 I'm the President of West Chester University. I
15 thank you all for the opportunity to be here
16 today to talk about the future of the system and
17 the future of West Chester.

18 As we engage in the review of the State
19 System, I believe that it's important to keep in
20 mind that the urgency that exists at the present
21 time is based, to a great extent, on demographic
22 realities in the Commonwealth of Pennsylvania.
23 This certainly has been pointed out several
24 times.

25 The decline in high school graduates

1 across the State has reduced the number of new
2 students enrolling in System universities. This
3 has created misalignment between the enrollment
4 capacity of many of our universities and the
5 number of students enrolling. I think it is
6 important to note at the outset that these
7 universities collectively offer high-quality
8 academic programs and continuously adapt to the
9 evolving needs of the new millennium. Our
10 outstanding faculty and dedicated staff are
11 absolutely focused on the success of our
12 students.

13 One of the primary goals of the State
14 System is to offer the high quality programs I
15 referenced above while maintaining an affordable
16 level of tuition for our students. There are a
17 number of factors that need to be considered in
18 order to understand the circumstances that exist
19 today. In my limited time, I would like to
20 present these factors in hope that I will help
21 provide you with a context for the realities
22 faced by the System Office and the universities.

23 Both the revenue side and the cost side
24 of the public higher education equation are
25 impacted by the current state of affairs. On

1 the revenue side, enrollment declines and the
2 reduction in the percentage of the budget
3 covered by State appropriations have slowed the
4 growth of resources to the universities. The
5 typical responses available to combat such a
6 slowing of revenue growth in educational
7 organizations are to take steps to increase
8 enrollment, raise tuition, increase worker
9 productivity and/or reduce cost. Efforts are
10 ongoing on all campuses and at the System level
11 to identify and implement strategies to increase
12 enrollment. Raising tuition is a concept that I
13 believe is well-understood, so I would like to
14 take you down in the weeds a little and focus my
15 comments on the potential for productivity gains
16 and cost reductions.

17 Universities are generally
18 personnel-heavy organizations. The budgets of
19 State System universities are all in the
20 neighborhood of 75 percent personnel
21 expenditure. The concept of worker productivity
22 in a university can be interpreted as how many
23 students we educate for each faculty member.
24 Factors such as class size and number of courses
25 taught per faculty member are the obvious

1 contributors to productivity.

2 Based on the cost and revenue pressure
3 in recent years, State System universities have
4 taken steps to ensure that faculty are deployed
5 as efficiently as possible. A major constraint
6 of increasing class size is the available array
7 of classrooms that exist on a campus, as well as
8 the general philosophy that student success is
9 hampered by extremely large classes.

10 While technology has become prevalent in
11 recent years, it is now quite evident that it
12 cannot serve as a tool of mass production in
13 higher education. Even in online classes, the
14 interaction between student and professor
15 remains an important part of the learning
16 process that cannot be replaced by video or
17 other online techniques.

18 In summary, opportunities for
19 productivity gains are limited. And those that
20 do exist have been implemented on our campuses.
21 The remaining area to explore is cost
22 containment. All of the State System
23 universities have been examining ways to reduce
24 costs. At West Chester University, we recently
25 eliminated two vice-presidential positions and

1 consolidated operations in other divisions. I
2 am aware of similar examples on
3 other campuses as my colleague has already
4 mentioned.

5 It is important that these types of
6 reductions are viewed from the perspective
7 that employees who are not in the classroom
8 contribute significantly to the education of our
9 students. As we make staff reductions, we have
10 to be mindful of what we are losing and ensure
11 that we are making every effort to minimize the
12 impact on our students. But I must emphasize
13 that the State System universities collectively
14 are very lean organizations.

15 Other areas for potential cost reduction
16 relate to our standing as a State agency. There
17 is great potential in streamlining oversight of
18 the universities. Over the years, I have
19 encountered many examples of regulations that
20 hamper our ability to be successful or create
21 additional cost reductions. I believe this is
22 an area that can be improved, and I encourage
23 you to examine how the existing bureaucracy
24 could be modified to reduce cost without
25 creating additional risk.

1 A final consideration on which I wish to
2 touch is the role of economies of scale in
3 higher education. It is reasonable to ask if
4 there are factors that enable large institutions
5 to operate more efficiently than small
6 institutions. In my experience, the answer to
7 that question is yes. This factor is certainly
8 recognized in the allocation formula that
9 distributes State appropriations to the State
10 System universities.

11 A review of the appropriation/HE student
12 across the universities show that the average
13 appropriation across the 14 SSHE universities is
14 \$5,499, and the appropriation/FTE student for
15 West Chester University is \$3,270. I did not
16 provide this information as a complaint, I
17 merely want to demonstrate that the current
18 state of affairs recognizes the ability of
19 larger universities to operate more efficiently
20 than smaller universities. And that factor is
21 accounted for in our funding.

22 Another example of the existence of
23 economies of scale is the work that West Chester
24 University is doing in support of Cheyney
25 University. We are providing an array of

1 backroom services to Cheyney, and our size
2 allows us to accomplish this work at a lower
3 cost than when Cheyney carried out these
4 activities directly.

5 Thank you for this opportunity to
6 present testimony today. My colleagues and I
7 are willing to assist you in any way possible to
8 ensure the long-run success of our State
9 universities.

10 SENATE MAJORITY CHAIRMAN EICHELBERGER:
11 Senator Dinniman.

12 SENATE MINORITY CHAIRMAN DINNIMAN:

13 Thank you.

14 Dr. Fiorentino, perhaps -- you are a
15 humble individual, I know that, and an
16 economist, as well, since I'm very familiar with
17 West Chester University.

18 You have contributed to making West
19 Chester University work.

20 What is it that has enabled us to have
21 17,000 students become the flagship of the State
22 System of Higher Education, to have more
23 graduate programs than most other institutions
24 and to really become the -- we have more
25 students applying than we have room for. We are

1 one of the most competitive institutions in our
2 region. There must be some factors that enable
3 this tremendous success.

4 And I know I'm asking a question I know
5 Senator Tomlinson would ask the same question
6 the same way.

7 SENATOR TOMLINSON: Because of the
8 alumni.

9 SENATE MINORITY CHAIRMAN DINNIMAN: Yes,
10 which Senator Tomlinson is one of them, and a
11 football star, as well.

12 But the question really is -- it's a
13 model that's succeeded despite the odds.
14 Everyone in the region is so proud of this
15 University. And you know I have an affiliation,
16 so I state that, too, but the real question is,
17 what made it work?

18 Because, perhaps -- it's not just size.
19 That helps. And in fact, you're getting less
20 money per student than the other institutions.

21 What is it that you feel we can learn as
22 a model for the rest of the System?

23 Because you know this notion in asking
24 this question, that demographics and less
25 students is the problem. It's only part of the

1 problem. Because the real question is this, if
2 our universities are offering an education at a
3 cost that's half of what private institutions
4 are offering, even the cheapest of those
5 institutions, even if they're in the middle of
6 the woods somewhere, all right, a parent who has
7 two or three kids to send to college, is going
8 to say, my friend, you're going to the middle of
9 the woods to get your degree because we can't
10 afford it and we're not going to take the
11 expense of a private institution, but that's not
12 happening. Yet West Chester is overwhelmed with
13 applications.

14 What do you believe are the factors that
15 could be a model for the System?

16 And I say that because as I read your
17 testimony, I know you're very humble as a person
18 and want to make sure that our other
19 institutions are respected, but there is
20 something special that you and others have done
21 in terms of leadership, and I wonder if you
22 might share it with the Committee.

23 I put you on the spot, and I apologize,
24 but it's a story that needs to be told because I
25 think there are some vital lessons here for all

1 of us.

2 DR. FIORENTINO: Well, first of all, we
3 certainly have to acknowledge that we have the
4 advantage of being in a highly populated part of
5 the State. That certainly plays a significant
6 role. Of course, I will also add that there are
7 over 80 colleges and universities in our portion
8 of the State, including three Penn State
9 campuses, two of which are four-year under grad
10 campuses with residence halls. So we do have
11 that challenge also, but certainly we're
12 recruiting in a much more densely populated area
13 than most of our sister institutions.

14 But I think if I were to reflect on what
15 might be different about West Chester, I would
16 say, going back over the past 25 years, we've
17 worked hard to operate efficiently, whether or
18 not we were facing difficult times. We've
19 really tried to focus on taking care of our
20 resources, making sure that we're operating with
21 full classes, not spending money that we don't
22 need to be spending. And it's put us in a
23 position to really have the resources to do the
24 kind of things that we've needed to do.

25 We've added as many nationally and

1 internationally accredited programs as we can
2 possibly get. That has certainly helped us.
3 Another factor that can't be denied is that
4 West Chester County and West Chester Borough is
5 a very desirable place. West Chester is seen as
6 one of the top college towns in America, to a
7 great extent, because of the borough we're in,
8 not just the university itself. So we have that
9 advantage.

10 But I think what has really started to
11 happen for us is that positive momentum builds
12 positive momentum. We've stayed ahead of the
13 game in terms of our resource utilization, so
14 we've been able to continue to support our
15 programs. We've actually pursued an aggressive
16 growth strategy.

17 Interestingly, over the past several
18 years, our traditional under grad population has
19 remained relatively stable. The growth that
20 you're seeing at West Chester right now has been
21 in online programs and graduate programs. And
22 we've been able, to a great extent, to buck the
23 national trend by continuing to grow graduate
24 enrollments and offering, very strategically,
25 programs that we believe will be in high demand

1 in our market. And that has been very
2 successful.

3 So I think all of those factors have
4 contributed to our long run success. And
5 frankly, once you get to the point that you are
6 seen as a hot school, people recommend West
7 Chester to their younger siblings or to their
8 friends. Guidance counselors are encouraging
9 students to come to West Chester. So there are
10 just a lot of positive factors that I would
11 relate to momentum at this point.

12 SENATE MINORITY CHAIRMAN DINNIMAN: I
13 appreciate that. And I think that, you know,
14 why we're thinking of the difficulties the State
15 System has, that we have some successes. We
16 have some colleges that have maintained their
17 enrollment and that are moving forward. We have
18 to recognize those successes.

19 I think in West Chester, for us to
20 articulate success is also helpful. I would
21 certainly agree with you that we have tied into
22 the marketplace of our region. And the graduate
23 programs we are doing reflect that marketplace.

24 Like East Stroudsburg, we have a biofarm
25 industry, probably one of the largest in the

1 nation, on the Route 202 corridor. And thus, we
2 are establishing an engineering program, one of
3 which is bioengineering, which is cutting edge
4 and probably one of the only State-owned System
5 schools in our -- not just this State, but in
6 the entire northeast that is doing that. That's
7 cutting edge.

8 But I just wanted to make sure that we
9 also understand some of the successes. And I
10 thank you for that.

11 President Welsh, one of the things you
12 said was the political red tape. I know what
13 red tape is, but why is this red tape -- why do
14 you think this red tape in bureaucracy is
15 political?

16 Because most of us have tried to stay
17 out of the affairs of our universities in the
18 districts that we represent.

19 DR. WELSH: I think much that is decided
20 for us is decided by people that are in
21 political positions.

22 SENATE MINORITY CHAIRMAN DINNIMAN: Is
23 that what you mean, then?

24 DR. WELSH: Yes.

25 SENATE MINORITY CHAIRMAN DINNIMAN:

1 Okay. Then that helps a great deal.

2 And let me assure you that we are --
3 that three years ago members of the legislature
4 put together a series of bill to help the State
5 System. And I believe, Senator Tomlinson, your
6 bill was to allow our faculty to get patents and
7 to have the universities get that money. In
8 fact, we got it through rather rapidly because
9 we, in the Senate, we made sure that everyone
10 who represented a State System school got one of
11 the bills in order to get the thing
12 accomplished.

13 But one of the bills that did not get
14 accomplished, and I think we really have to --
15 it was Senator White's bill at that time, who
16 represented Clarion and what was it -- Slippery
17 Rock.

18 Indiana? Well, no, it was Slippery Rock
19 because White represented Indiana.

20 What it was is that we would give
21 control of the building process, not to DGS, but
22 to the institutions that had the resources to do
23 that. And I know that, wether we're talking
24 about East Stroudsburg, you know, the delay,
25 as you explained. The costs go up by the way as

1 they delay continues. And West Chester, trying
2 to get our newest classroom building built.

3 Is this something that you would like to
4 see us as a legislature pursue with greater
5 vigor?

6 We get the resistance from each
7 administration and DGS on this.

8 Professor Welsh, what do you think?

9 DR. WELSH: Obviously, construction is
10 very costly for us because of prevailing wage.
11 We're held to that, whether we're State related
12 or not. So release us from prevailing wage for
13 money that is tuition dollars. If tuition
14 dollars were not classified, I guess, as State
15 dollar, we'd be able to use it more efficiently
16 and have lower construction costs.

17 SENATE MINORITY CHAIRMAN DINNIMAN:

18 Well, I think you're not going to get
19 rid of prevailing wage in this legislature, but
20 I do think the question that Senator White had
21 on her bill was whether the control by the
22 universities, rather than DGS -- that was the
23 bill -- would assist the universities in their
24 ability to get construction done in a more
25 timely and efficient manner.

1 Professor Fiorentino.

2 DR. FIORENTINO: We certainly feel that
3 way. We've worked closely with DGS for many
4 years. They're very earnest and hardworking.
5 They manage a lot of projects, but we find that
6 it really does slow us down in many cases. And
7 time is money. A project that ends up being
8 slowed down for six months or a year ends up
9 costing us more than if we were able to get it
10 done quickly.

11 So a lot of the red tape around getting
12 approvals done, the whole notion aside from
13 prevailing wage, multiple prime contractors is
14 the basis for much confusion. Actually, the
15 building that you've just referred to, the
16 Business and Public Management Center, that
17 building, we ended up completing that building
18 at about \$12 million less than had been
19 initially estimated that it would cost by DGS.
20 And of course we were very excited about that,
21 thinking that we were going to get the \$12
22 million dollars back.

23 And what I've been told is that by the
24 time all of the litigation that tends to take
25 place among contractors, and whose fault was

1 this delay, and whose fault was that delay,
2 we'll be lucky to get any of it back. And the
3 thought that we put \$12 million in there that we
4 thought was going to be building a building for
5 us, and once the building is built and
6 operating, that money doesn't come back to us
7 because it has to be used to settle up all of
8 the related conflicts. I don't have a lot of
9 depth of knowledge about the details of how
10 those things happen, but that would certainly be
11 something that we would appreciate if all of you
12 might try to sort out to see if there are ways
13 that we can get a building finished and not end
14 up with litigation among the various contractors
15 trying to attribute blame for why delays
16 happened and so forth.

17 SENATE MINORITY CHAIRMAN DINNIMAN: One
18 of the things is to get you to have control over
19 the building process itself. Most of the
20 universities get along very well with their
21 communities. I know in West Chester there's an
22 architect that's, you know, you have the
23 building people to do it. Some smaller schools
24 might not be able to do it, but it's something
25 I'm asking because we want to continue -- we

1 want just to get a sense of whether we should
2 continue.

3 That was one of the few parts of this
4 program that didn't get through. The other
5 reforms did, and whether that would be helpful.

6 MR. FIORENTINO: Let me just comment.
7 We have another building coming online that
8 we're going to start constructing. The Business
9 and Public Management Center, start to finish,
10 took -- well, if you throw in all of the
11 planning phases, probably 10 years.

12 The building we're working on right now,
13 the Sciences and Engineering Center in the
14 Commons is being funded with philanthropy,
15 reserves and bond funding. And we're
16 anticipating starting that building, the
17 construction of that building, in May of 2018.
18 And we're anticipating that it will be opening
19 in the fall of 2020. So it's a much more
20 compressed process. And that's a process that
21 we are managing locally.

22 SENATE MINORITY CHAIRMAN DINNIMAN: So
23 DGS is giving you that authority?

24 DR. FIORENTINO: Well, we're not using
25 any State dollars in the project. So I think

1 that puts us in a position where DGS is involved
2 in the projects whenever there are State dollars
3 that are -- that's my understanding. I don't
4 know.

5 SENATE MINORITY CHAIRMAN DINNIMAN: No,
6 no. You're quite right, but some schools aren't
7 able to do that. So we're trying to get DGS to
8 give more authority to schools, which brings up
9 my final question.

10 We had talked about here, and I asked
11 these questions for my buddy, Senator Tomlinson,
12 because we've been involved in this dialogue for
13 a long time and he's been the greatest advocate
14 of the State System you can find in it will
15 legislature.

16 There are certain dollars that are your
17 dollars that you raise and that are not tax
18 dollars, including tuition dollars. Should we
19 simply allow universities the freedom on dollars
20 that are not coming directly from the
21 Commonwealth to do as they so choose, still, you
22 know, you have a collective bargaining agreement
23 to protect the employees. Then you have certain
24 regulations you have to follow.

25 That certainly wouldn't help the State

1 System, but it would help each individual
2 campus. And what would end up is, if you want a
3 motivation for recruiting students and you want
4 each student at the school to take on that
5 obligation the, we'll have to have faculty to be
6 200 percent involved in it. The money stays
7 with the institution.

8 How do the two of you feel about that?

9 DR. WELSH: That's what I was referring
10 to earlier as --

11 SENATE MINORITY CHAIRMAN DINNIMAN: I
12 know. That's why I'm asking.

13 DR. WELSH: Yeah, making sure that money
14 defined as public money actually comes from the
15 Commonwealth, not from the students. It would
16 change how we're able to do many things, and I
17 think our dollars would go much further.

18 SENATE MINORITY CHAIRMAN DINNIMAN:

19 Well, that's the idea. And that's
20 something we were trying -- we had talked about.
21 There was resistance, of course, from the System
22 itself, which is not your fault, but it is
23 something that I think this legislature should
24 consider.

25 We have the regulations, fine, and the

1 accountability, fine, on State taxpayer dollars,
2 but even on buildings as the music facility, I
3 only thing the State paid for a quarter of that.

4 So why not allow the institutions that
5 are being audited anyway to utilize the money
6 that they collect. And in that sense, you give
7 the power locally, but you also encourage. In
8 other words, they're are responsible for the
9 spending, they make the decision, but if the
10 institution fails, then they were responsible
11 for the failure, as well.

12 So I hope we give some consideration, I
13 say to my colleagues, to that issue.

14 Thank you, Mr. Chairman.

15 SENATE MAJORITY CHAIRMAN EICHELBERGER:
16 Senator Aument.

17 SENATOR AUMENT: Thank you, Mr.
18 Chairman. Senator Dinniman, I'm going to put
19 you down as a maybe for prevailing wage reform,
20 a maybe.

21 SENATE MINORITY CHAIRMAN DINNIMAN: The
22 prevailing wage will not solve the problem at
23 PASSHE, but I do appreciate the comment, Senator
24 Aument.

25 SENATOR AUMENT: I want to ask just a

1 couple of quick questions about collective
2 bargaining agreements, collective bargaining
3 reform. I know these can be, certainly in this
4 building, and I'm sure for you, can be
5 contentious issues. And I don't mean to ask the
6 questions certainly in that manner.

7 Can you provide a percentage at your
8 individual institutions of expenditures directly
9 related to the various collective bargaining
10 agreements?

11 Do you know, in terms of your overall
12 expenditures, do you have a general idea of what
13 that percentage might be?

14 DR. FIORENTINO: Well, it's extremely
15 high. I don't have the number handy, but the
16 only employees who are not members of bargaining
17 units are managers and we have a relatively
18 small number of managers compared to the total
19 workforce. I'm sure that's a number that
20 somebody could get for you, but it's a
21 significant portion of our workforce.

22 DR. WELSH: I think the cost of
23 collective bargaining, especially with a
24 faculty, isn't necessarily the salaries, it's
25 the additional costs. There are 36, I believe,

1 other ways faculty can make money. So you do
2 end up with faculty that are making well over
3 \$150,000 if not \$200,000 a year and those are by
4 those add-on payments to get additional work
5 done. So I would say it's significant.

6 SENATOR AUMENT: So a significant
7 portion of your operating expenses are related
8 directly to a collective bargaining agreement
9 and those agreements are negotiated statewide.
10 That's a statewide contract negotiated by the
11 Board of Governors of the State System.

12 DR. WELSH: Correct.

13 SENATOR AUMENT: This is a considerable
14 portion of your budget. What input do you have
15 going into a contract negotiation throughout the
16 negotiation and what information is available to
17 you as the contract is being negotiated?

18 What I'm trying to sort of get a sense
19 of, again, you have to then manage this contract
20 and the expenses related to that contract. I'm
21 trying to sort of get a sense of what input you
22 actually have and what information is made
23 available that you can respond to throughout the
24 negotiation process.

25 DR. FIORENTINO: We actually have quite

1 a bit of input. There's a lot of time and
2 effort put in ahead of time. Looking at the
3 issues that are important to the campuses and
4 through all the negotiations that I've been in,
5 I've sat on the management team through several
6 rounds of negotiations so there's a constant
7 give and take in terms of what we're trying to
8 accomplish, the kinds of things that would be
9 improvements for us, things like trying to
10 contain the benefit costs or language changes
11 that are related to things that make it
12 difficult for us to function.

13 The problem is that once you gut at the
14 table and start negotiating, that strategy, to a
15 great extent is set aside because you end up
16 bargaining over a smaller set of issues. And
17 once the bargaining gets serious, it really
18 takes on a life of its own and it gets down to
19 the level of people trying to get a deal done
20 and I think that if you were to speak to
21 presidents over the years there's a lot of
22 frustration around efforts that were put in
23 place to get certain things.

24 And then fairly early in the negotiation
25 process, it's just recognized that that's not

1 something that we're going to be able to
2 accomplish. So those things are all sort of
3 swept aside, and the focused is set on a
4 narrower range of things. Throughout the
5 negotiations, there's still communication.
6 There may be, for example, proposals that are
7 raised in the negotiating session. And the
8 management team will come back or to whichever
9 experts are relevant on the campuses and ask
10 questions about how such changes would affect
11 the campuses to see whether it's something that
12 we could live with or not.

13 So there's a lot of give and take around
14 that. But at the end of the day, when the
15 contract is getting settled, it really gets down
16 to a small group of people who give and take
17 within that group, the chancellor, the Board
18 chair. At that point, the presidents don't play
19 much of a role.

20 DR. WELSH: I want to comment because I
21 have not been at the bargaining table. I've
22 been just on the campus waiting for the phone
23 calls to come. And so, from my perspective, we
24 do a list of things, a lot of changes, that we
25 would like to see in the collective bargaining

1 agreement that would help us run our
2 universities more efficiently, more effectively
3 and better serve our students, but they're
4 usually wiped out within the first few days of
5 collective bargaining.

6 So what we end up with are occasional
7 phone calls on Progress or lack thereof. And
8 then all of a sudden, it's a done deal, and we
9 have to find a way to pay for it. There is
10 never money coming to help pay for it.

11 SENATOR AUMENT: If I could follow that
12 up.

13 So the information, not being at the
14 table, but as a university president, the
15 information that you are receiving is
16 considerably different, less, than what an
17 individual may be receiving at the table that's
18 involved in the process?

19 DR. WELSH: Yes, absolutely.

20 SENATOR AUMENT: It certainly seems to
21 me that there exist opportunities for this
22 General Assembly to consider how that process
23 can be made more transparent. This is not an
24 out-of-right-field suggestion. This is
25 certainly something that a number of other

1 States do, but it certainly seems to me that
2 these contracts are tremendously consequential
3 as it relates to the general appropriation from
4 the General Assembly as it relates to your
5 budgets. They're consequential to our students
6 and families. It relates to their tuition.

7 And essentially, most of these parties
8 are completely in the dark throughout this
9 process and do that not have the opportunity to
10 provide extensive input. It certainly seems --
11 I'm not going to ask you necessarily to comment
12 on that; if you'd like -- but it certainly seems
13 to me that we ought to shine a light on that
14 process. A number of other States do that.

15 I will ask you to comment in terms of
16 governance, your perspective, pros and cons of a
17 shift from a statewide negotiation, to giving
18 you greater power as university presidents to be
19 able to negotiate at the local university level
20 with the faculty at your university. The
21 benefits of that, concerns you may have with
22 that and your overall perspective on that
23 particular issue and other areas where you would
24 like to have greater authority, whether it's
25 over programming, whether it's over setting

1 tuition, certainly the collective bargaining
2 process.

3 DR. FIORENTINO: Well, I think the fact
4 that we have 14 different campuses, 14 different
5 areas in terms of costs of living. Each of the
6 campuses faces its own set of challenges. And
7 frankly, if I were presented with the
8 opportunity to negotiate labor contracts
9 locally, I would jump at it because it would
10 enable us to take advantage of some of the local
11 circumstances. And frankly, in some cases, not
12 necessarily in the faculty union, but in other
13 unions, there are contracts that are negotiated
14 statewide. With our area being a high cost of
15 living area, we actually have difficulty not
16 being able to pay enough to people to get them.

17 So it's not just a matter of the
18 contracts always ending up being too expensive.
19 But the unique circumstances of the given region
20 certainly suggest that there would be
21 differences negotiated if we were all in a
22 position to look into what we could do in terms
23 of our own regions.

24 Other latitude -- actually, we've been
25 in conversations, relaxing to some of the

1 process of getting programs approved. I talked
2 a little bit about the competitive environment
3 that we're in at West Chester. And I think all
4 of the schools can define their own competitive
5 environment, but in the Philadelphia area, we're
6 competing with Temple, Drexel, Villanova, St.
7 Joe's, Delaware, Lasalle, on and on. And we
8 need to have an array of programs to compete
9 with those universities, not necessarily
10 Kutztown or Millersville or Bloomsburg.

11 In terms of this 50-miles radius idea,
12 we really feel that it's not a matter of making
13 sure that there's not overlap among the State
14 universities. We have to look at the regions in
15 which the institutions are competing.

16 For example, we've been able to add
17 engineering, biomedical engineering at this
18 point. We hope to add additional engineering
19 programs because we believe we can compete
20 effectively with the schools in our region by
21 adding those programs. And the fact that
22 Shippensburg has such a program, we don't see
23 that as being competition between West Chester
24 and Shippensburg.

25 Others may feel differently about that,

1 but that's how we view our competitive
2 environment.

3 DR. WELSH: And I agree. I think we
4 would be very comfortable negotiating our own
5 contracts because we would know what we could
6 afford in a contract rather than having the bill
7 sent to us with no input. But I also agree --
8 we're surrounded by five Penn State campuses, as
9 well as a community college. And so the
10 competition for us is pretty stiff in a
11 different public way, but we partner very well
12 with the local community college.

13 We have programs where they teach the
14 first two years, we teach the second two years.
15 We do it on their campus so the students don't
16 have to move. So we do a lot in partnership
17 with the universities in our area, but we don't
18 step on each other's toes. We work
19 collaboratively. And so to then have everything
20 controlled at another level in Harrisburg makes
21 it very difficult.

22 SENATOR AUMENT: Thank you both very
23 much.

24 Thank you, Mr. Chairman.

25 HOUSE MAJORITY CHAIRMAN HICKERNELL:

1 Thank you. Any other questions?

2 Thank you both very much. You've been
3 very informative.

4 Our final testifier this morning is
5 Dr. Ken Mash, President of APSCUF and professor
6 of political science at East Stroudsburg
7 University.

8 Doctor, good morning. Welcome. Thank
9 you for being here.

10 You may begin when you're ready.

11 DR. MASH: I thought, given the hour,
12 that I would not just -- I wouldn't read my
13 testimony that I've given to you.

14 HOUSE MAJORITY CHAIRMAN HICKERNELL:
15 That's fine. We would appreciate that very
16 much.

17 I should mention that our Senators had
18 to leave because they are in session right now,
19 so thank you.

20 DR. MASH: I want to just highlight some
21 of the things I put into my testimony. I am a
22 political scientist. And by the way, I'm here
23 representing the Association. I'm not in my
24 capacity as a professor.

25 But I am a political scientist, and I do

1 understand that how issues are framed impacts
2 how they're dealt with. And if we're going to
3 talk about the sustainability of the State
4 System, there's no way of talking about that
5 sustainability without talking about the
6 allocations that have gone to the universities,
7 the movement and the fact that the Commonwealth
8 used to pick up 75 percent of the cost for a
9 student's education, to now, where it's 25
10 percent and probably less than that at some of
11 our universities that are charging per credit
12 tuition.

13 It is not sustainable, and it's not
14 sustainable because it does push that burden
15 back down to the students. And Senator Dinniman
16 mentioned the Maguire Study. The Maguire Study
17 said that when it came to the cost of tuition,
18 that at several of our universities, that cost
19 -- and I said tuition. Actually, they looked at
20 total college costs. If those total college
21 costs went up above \$3,000, then there would be
22 substantial declines in enrollment. And it's
23 not surprising that the universities that they
24 were talking about in that study are the very
25 ones that are struggling right now. It is those

1 universities, you know, in the norther tier and
2 towards the west.

3 And it's those regions that sometimes
4 serve some of the poorer communities in our
5 Commonwealth. Those students are struggling to
6 be able to afford to go to college. We had a
7 situation. I think it was two years ago, when
8 the President of Franklin and Marshall was on
9 the radio and said that it was cheaper to go to
10 Franklin and Marshall than it was to go to
11 Millersville University.

12 And when that's the case when we're
13 talking about our publicly-owned universities,
14 it's a very serious situation. And Pennsylvania
15 does rank 47th in the nation as far as support
16 for higher education per student. And at some
17 point, we have to grapple with the fact of
18 whether or not there is going to be a
19 significant enough allocation to be able to
20 serve our students.

21 And I mean, I also want to say that when
22 we're talking about our universities and we're
23 talking about the State System of Higher
24 Education, our universities are entities, but
25 they're entities with a purpose. And that

1 purpose is to educate students and particularly
2 to educate those students in the working class,
3 to provide them an affordable higher education
4 experience.

5 We need to think about, in those terms,
6 so when we think about this question about
7 universities failing, it's not so much about the
8 universities failing. It's really a matter of
9 are we, in fact, being successful, all of us in
10 the Commonwealth, are we being successful at
11 providing an affordable education to our
12 students?

13 And the data seems to point out that we
14 don't do a great job at it. I referenced in my
15 testimony, the PBPC Report, which shows in
16 colors about what happens on the northern tier
17 one side of the New York border and then on the
18 Pennsylvania side. How many more -- or what a
19 greater percentage of the population has a
20 post-secondary degree on the New York side of
21 that border as opposed to the Pennsylvania said
22 of that border?

23 I suppose that we could say that maybe
24 New Yorkers are smarter, maybe they're more
25 ambitious. I'm from New York. Maybe that's

1 true, but I really don't think that's true. I
2 think it's about the commitment that we have to
3 public higher education in Pennsylvania, and we
4 need to think about that seriously.

5 Getting to some of the more specifics
6 that came out of the NCHEMS Report. We, of
7 course, are pleased to see them talk about
8 combined services. We think leadership at our
9 universities is extremely important, the way
10 that it flows. And also to make sure that we
11 are, in fact, getting the best leaders at our
12 universities in the State System that we could
13 possibly have.

14 I did want to make a comment about
15 collaboration. I remember a decade ago that
16 there were several universities out west already
17 that were collaborating on an online nursing
18 degree program. So it's not a faculty contract
19 that's standing in the way of that
20 collaboration. And I know that we have been
21 pestering at times the State System of Higher
22 Education to try and facilitate greater
23 collaboration among our universities. Going
24 back to that Maguire Report, when they
25 interviewed students who came and students who

1 didn't come, the thing that they pointed out the
2 most about the reasons why they went to our
3 universities were academic quality and academic
4 programs. So when we cut back on academic
5 programs, that doesn't help us. That doesn't
6 help our students.

7 We need to be looking for ways to
8 collaborate with one another. And we have been
9 trying to be at the forefront of doing that, but
10 there are several behinds the scenes issues at
11 the universities that they have to work out, as
12 well. We think that there needs to be some more
13 sophisticated approaches to budgeting at our
14 universities and also some inventiveness when it
15 comes to the cost for students.

16 We think that that should be provided on
17 the State level because that's where, at the
18 State level, that expertise could be shared
19 among all of the universities. Having one set
20 tuition and limitations on the kinds of grants
21 that could be given to students is not helpful.
22 And I know that the university presidents
23 brought up -- I think that it was a five percent
24 that they were allowed to give to students. An
25 increase in that would be very helpful. And the

1 system responded to that.

2 Bit it's true that if a university has
3 hit its base level of operations and being able
4 to afford to pay for its bills among the
5 students who are able to pay for college, that
6 students coming in, who are at least paying
7 something if there is, in fact, room for those
8 students, are adding to the university. And I
9 think we need to change our approach sometimes
10 to how we can deal with individual students.

11 I think also that we need to think
12 seriously about associate degrees. One of the
13 benefits, I think, that came out of the
14 NCHEMS Report was the discussion about the
15 number of adults out there who have not
16 completed their degrees. And I think that that
17 provides for us opportunities to be responsive
18 to that population. And it also provides us an
19 opportunity to be thinking about what it is that
20 we do.

21 I know, Representative Longietti, you
22 brought it up about students who can't afford to
23 stay. I think we need to focus on, perhaps,
24 being able to give associate's degrees, at least
25 if students have been there for two years, that

1 they can wake away from our universities with
2 something in their hands. That they have some
3 diploma that they can show employers and that
4 they could use and go to other universities
5 with, as well.

6 And I think sometimes the dictates of
7 the System as far as programs and enrollments
8 that are required stand in the way of offering
9 those degrees because, you know, that's the kind
10 of degree that you may not ever enroll in, but
11 you may wind up leaving with, as well. I think
12 there are a lot of opportunities that lay ahead.

13 The sense that I got from the leadership
14 of the System is that they are positive about
15 moving forward. And we are looking forward to
16 moving forward with them.

17 Thank you.

18 HOUSE MAJORITY CHAIRMAN HICKERNELL:

19 Thank you, Doctor. Appreciate it.

20 Questions from the members?

21 I have a few, but I'll let
22 Representative Tallman go first.

23 REPRESENTATIVE TALLMAN: Thank you,
24 Mr. Chairman.

25 Thank you for being here.

1 So I'm going to ask a question related
2 to kind of where Senator Aument was going. I'm
3 just going to ask you straight out, are you
4 willing to bargain at the local college level
5 versus System wide?

6 And why I'm going to tell you that is,
7 Mansfield's cost of living is nowhere near
8 West Chester's cost of living. It is absolutely
9 night and day.

10 DR. MASH: And when it comes to
11 attracting faculty to Mansfield, it's a very
12 different situation than attracting them to West
13 Chester, as well. It's more complicated. I
14 know that, you know, the grass is always greener
15 on the other side. And while we may have
16 university presidents saying, we jump at that
17 opportunity, they haven't had that opportunity.
18 They don't know what it's like to negotiate
19 their contracts. They actually enjoy the
20 benefit of not having that burden on their
21 campus and the friction that that creates for
22 the individual administrators who are there.
23 They also benefit from the resources of
24 professionalism, which they would not be able to
25 afford on their own. You know, I'm tempted in

1 part to say, sure, we know what we're doing.
2 We'll negotiate with all of your little campuses
3 and see how that winds up, but I don't think
4 that that's in the best interest of the State
5 System of Higher Education. I don't think it's
6 in the best interest in the long term for your
7 individual universities.

8 REPRESENTATIVE TALLMAN: But there is a
9 significant disparity across the Commonwealth in
10 cost of living. So why would a professor at
11 Mansfield make -- I have no clue -- X number of
12 dollars, compared to the same professor in the
13 same major making the same X number of dollars
14 and the cost of living is significantly -- I
15 know you may consider Mansfield a better place
16 to live. I don't know that, but the
17 Pennsylvania Grand Canyon is there.

18 But anyway, I'm not sure. The disparity
19 is too great.

20 DR. MASH: Right. And again, I would
21 say that Mansfield has to be competitive and
22 probably even more competitive if they're going
23 to attract quality faculty from across the
24 nation to come there. So there are
25 differentials, but there are all kinds of

1 differentials when it comes to our universities
2 that benefit individual faculty members.

3 REPRESENTATIVE TALLMAN: Okay. One last
4 request, and you probably don't have it. You
5 said you had a study showing that the people on
6 the New York side of the border have higher,
7 whatever, degrees versus the ones in Tioga,
8 Potter --

9 DR. MASH: Right.

10 REPRESENTATIVE TALLMAN: -- those
11 counties.

12 Could you site that or send that to the
13 Chairman?

14 DR. MASH: Yeah, that's a Pennsylvania
15 -- but I'll be happy to send that, to forward
16 that for you.

17 REPRESENTATIVE TALLMAN: Okay. Thank
18 you.

19 HOUSE MAJORITY CHAIRMAN HICKERNELL:
20 Chairman Roebuck.

21 HOUSE MINORITY CHAIRMAN ROEBUCK: Thank
22 you, Mr. Chairman.

23 As I listened to your testimony and to
24 the testimony that preceded it, it seems to me
25 I'm back to where I was at the very beginning,

1 in that we talk about a State System. And, in
2 fact, we don't seem to have any real system
3 among the 14 colleges any longer.

4 When you were all doing teacher
5 training, there was a commonality of purpose and
6 direction. And now, if we're just dealing with
7 14 individual universities, that's somewhat very
8 different. It has allowed great successes, as
9 with the testimony from West Chester in evolving
10 into what could be probably a very strong
11 freestanding university that does not
12 necessarily any longer have any commonality or
13 less and less commonality to the rest of the
14 partners in that system.

15 And I wonder whether it is not now a
16 time that we ought to be looking at a
17 fundamental change in what we're doing here,
18 because it seems that we've drifted fairly far
19 from where we started.

20 DR. MASH: Well, I certainly think that
21 there are things, and I think you brought up a
22 couple of those things earlier, Mr. Chairman,
23 that we could be doing as a System. They are
24 things like allowing a student to apply for more
25 than one university when they are applying for

1 school, which would also allow all of the
2 universities to see who's applying, what majors
3 they're interested in and perhaps to seek out
4 those students, as well.

5 There is greater collaboration that can
6 go on also. We should all be able to take
7 advantage of the rich programs that exist at
8 another university to build partnerships with
9 them to provide programs that, perhaps,
10 universities like Mansfield might not, on a
11 standalone level, be able to supply.

12 When I hear universities making
13 decisions like, will we have any foreign
14 language class at all at our university, that's
15 really problematic. And you're right, it's not
16 a systematic approach. There should be at least
17 some attempt to try and work it out so that
18 there are, you know, the things that we need to
19 prepare students for the 21st century at all of
20 the universities.

21 HOUSE MINORITY CHAIRMAN ROEBUCK: Thank
22 you.

23 HOUSE MAJORITY CHAIRMAN HICKERNELL:
24 Thank you, Mr. Chairman.

25 Anything else from members before I have

1 a few questions for the doctor?

2 Doctor, you mentioned increased State
3 funding as being a priority for you and for
4 APSCUF. We heard a lot of suggestions from the
5 university management, per se, that the
6 Chancellor and the individual that did the
7 study, we heard some very good suggestions from
8 the two presidents, other than increased State
9 dollars, which I think we would all agree right
10 now is probably not likely in the short term,
11 what things would you and the faculty union
12 suggest to help solve the problem that the State
13 System is in?

14 And perhaps a step further, you know,
15 what concessions are the faculty members willing
16 to make to try to right this ship?

17 DR. MASH: Well, you know, despite what
18 may be public perception or perception in this
19 building or even the perception of some people
20 in the room, you know, I know at our last
21 contract negotiation, we did make concessions in
22 order to be able to move forward, particularly
23 with regard to healthcare costs, which we are
24 already paying substantial amounts for our
25 healthcare costs. We did additional concessions

1 as far as that is concerned.

2 But you know, we don't get to make the
3 decisions for the universities. We don't get to
4 make the choices for them. But I will tell you
5 that our members, because of the budget
6 situation, have had to go and teach in larger
7 classrooms and pick up that slack. There is,
8 you know, as far as a percentage of the overall
9 education budget at the universities,
10 instructional costs, which account for salaries
11 and account for all of the other payments to
12 faculty, that has remained relatively stable,
13 which means that in order to be able to
14 accomplish that, that means that you're, you
15 know, saving money somewhere. And those costs
16 have been saved in terms of hiring additional
17 faculty members, which means that in
18 departments, faculty are working harder to make
19 sure that they're advising all of the students
20 that they need to advise, spreading themselves
21 thinner to do the work that needs to be done in
22 their departments.

23 They are contributing already in trying
24 to save the universities money. So, you know,
25 I'm not sure. If we had control over things,

1 things might look a little bit different. But
2 working within the situations which we have, you
3 know, even as faculty members are required, even
4 increasingly to be held responsible for their
5 research and for producing research, money to go
6 to conferences, money to go other places, that's
7 dissipated. That's gone. So individual faculty
8 members are paying out of their own pocket to be
9 able to go to those conferences, to be able to
10 do things involving research that they might
11 otherwise do. So we are already making these
12 contributions.

13 HOUSE MAJORITY CHAIRMAN HICKERNELL:
14 Appreciate that, but I think, you know, perhaps
15 we need to look a little bit closer at some
16 additional things that could be done.

17 Since you brought it up, you talked
18 about a contract and additional burdens that
19 have been placed on the faculty.

20 Do you currently teach, or are you
21 working full-time as President of APSCUF right
22 now?

23 DR. MASH: I'm the full-time president
24 of APSCUF.

25 HOUSE MAJORITY CHAIRMAN HICKERNELL:

1 Okay. So prior --

2 DR. MASH: The association fully
3 reimburses --

4 HOUSE MAJORITY CHAIRMAN HICKERNELL:
5 Prior to your presidency, you were a political
6 science professor for how many years?

7 DR. MASH: A long time.

8 HOUSE MAJORITY CHAIRMAN HICKERNELL:
9 Okay. And most recently, how many courses would
10 you say you were teaching, you know, per
11 semester at East Stroudsburg?

12 DR. MASH: We have 4-4 loads, which is
13 four courses in a semester.

14 HOUSE MAJORITY CHAIRMAN HICKERNELL: So
15 how many hours is that in the typical week?

16 DR. MASH: Well, that's, you know, if
17 you're just talking about being in the
18 classroom, that's 12 hours a week.

19 HOUSE MAJORITY CHAIRMAN HICKERNELL:
20 Twelve hours a week.

21 DR. MASH: That's twelve hours a week.

22 HOUSE MAJORITY CHAIRMAN HICKERNELL:
23 Okay. And then additional office hours, I would
24 assume, on top of that?

25 DR. MASH: Office hours, preparation for

1 classes, departmental work, other projects on
2 the university, other service requirements that
3 might be involved, including, you know, doing
4 research and other kinds of scholarly
5 activities.

6 So I mean, it's almost like, if you're
7 going to make a comparison, compare it to a
8 legislator. So if I were to ask you how much
9 time do you actually spend on the floor of the
10 House, you know, that would give a very bad
11 perception of all of the responsibilities that
12 fall on a member of the House. I'm a political
13 science professor. I teach American Government,
14 and I actually spend a lot of time talking about
15 how you can't just make those judgments about
16 our public servants based on what's right in
17 front of you. You have to understand that their
18 jobs are more complicated and involve things
19 that occur both in the Capitol Building but also
20 back in their districts.

21 When it comes to faculty members, you
22 have to understand that it's not just the amount
23 of time that you're spending in the classroom.
24 Faculty are involved in governance. They're
25 involved with preparing courses and creating new

1 courses, you know, keeping up with their
2 disciplines.

3 My colleagues, many of them work 50, 60
4 hours a week. It's not about the 12 hours in
5 the classroom. It's about everything that they
6 do.

7 HOUSE MAJORITY CHAIRMAN HICKERNELL:
8 Thank you for that explanation. I appreciate
9 that.

10 Just one last observation. I'm not
11 asking you to comment on this. A lot of your
12 testimony this morning talked about the students
13 and, you know, basically, it's all about the
14 kids. You know, we hear that a lot.

15 I guess I would ask -- I wouldn't ask
16 you, I will just make an observation. There was
17 a strike that occurred last year in the State
18 System that I believe took faculty and students
19 out of the classroom for what, three or four
20 days. The first time in the history of the
21 System that there was a strike.

22 And I would just make the observation,
23 this morning -- again, you don't need to
24 comment. You know, that decision that was made
25 by the faculty, you know, I would have to

1 question, was that really about the students and
2 I'll leave it at that.

3 DR. MASH: MR. Chairman, I would be
4 happy to respond.

5 HOUSE MAJORITY CHAIRMAN HICKERNELL: Not
6 necessary, but you're certainly free to.

7 DR. MASH: No, I'd be happy to because
8 -- and I, certainly, when it comes time to
9 understanding what occurs when you finally reach
10 the point of a strike, which none of my
11 colleagues wanted to have happen, you have to
12 understand the full picture of what occurred
13 during that time period.

14 And certainly, I don't want to keep you
15 here to go through all of those details, but I
16 will be happy to meet with you at any time so we
17 could discuss all of the things that occurred
18 that led up to, I think, that unfortunate period
19 when we had to go on strike, but when it came
20 down to it, we believed sincerely that we were
21 fighting for the quality of the education at our
22 universities. And we were standing up for
23 faculty members who were otherwise unable to
24 stand up for themselves.

25 But I certainly, any time you would like

1 to discuss that, I would be happy to do it.

2 HOUSE MAJORITY CHAIRMAN HICKERNELL:

3 Thank you very much.

4 With that, I would thank you, Doctor.

5 The meeting is adjourned.

6 Thank you all for being here.

7 (Whereupon, the hearing concluded at
8 11:37 A.M.)

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

C E R T I F I C A T E

I hereby certify that the proceedings
are contained fully and accurately in the notes
taken by me on the within proceedings and that
this is a correct transcript of the same.

Tracy L. Markle

Tracy L. Markle, Court Reporter
Notary Public