

COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE HEARING

STATE CAPITOL
MAIN BUILDING
ROOM 140
HARRISBURG, PENNSYLVANIA

WEDNESDAY, FEBRUARY 21, 2018

PRESENTATION FROM
PENNSYLVANIA STATE SYSTEM OF HIGHER EDUCATION
IN RE: ENSURING STABILITY OF THE PENNSYLVANIA
STATE SYSTEM OF HIGHER EDUCATION

BEFORE:

HONORABLE STANLEY SAYLOR, MAJORITY CHAIRMAN
HONORABLE JOSEPH MARKOSEK, MINORITY CHAIRMAN
HONORABLE KAREN BOBACK
HONORABLE SHERYL DELOZIER
HONORABLE GEORGE DUNBAR
HONORABLE GARTH EVERETT
HONORABLE KEITH GREINER
HONORABLE SETH GROVE
HONORABLE DOYLE HEFFLEY
HONORABLE SUE HELM
HONORABLE LEE JAMES
HONORABLE WARREN KAMPF
HONORABLE FRED KELLER
HONORABLE JASON ORTITAY
HONORABLE MICHAEL PEIFER
HONORABLE MARGUERITE QUINN
HONORABLE BRAD ROAE
HONORABLE JAMIE SANTORA
HONORABLE CURT SONNEY

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BEFORE (cont.'d):

- HONORABLE KEVIN BOYLE
- HONORABLE TIM BRIGGS
- HONORABLE DONNA BULLOCK
- HONORABLE MARY JO DALEY
- HONORABLE MADELEINE DEAN
- HONORABLE MARIA DONATUCCI
- HONORABLE MARTY FLYNN
- HONORABLE PATTY KIM
- HONORABLE STEPHEN KINSEY
- HONORABLE LEANNA KRUEGER-BRANEKY
- HONORABLE MICHAEL H. O'BRIEN
- HONORABLE PETER SCHWEYER

ALSO IN ATTENDANCE:

- DAVID DONLEY, REPUBLICAN EXECUTIVE DIRECTOR
- RITCHIE LaFAVER, REPUBLICAN EXECUTIVE DIRECTOR
- MIRIAM FOX, DEMOCRATIC EXECUTIVE DIRECTOR
- TARA TREES, DEMOCRATIC CHIEF COUNSEL
- HONORABLE CRIS DUSH
- HONORABLE BRIAN ELLIS
- HONORABLE JONATHAN FRITZ
- HONORABLE ROB KAUFFMAN
- HONORABLE FRANK RYAN
- HONORABLE MARK LONGIETTI
- HONORABLE ED NELSON
- HONORABLE CURTIS THOMAS

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NOTARY PUBLIC**

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1 P R O C E E D I N G S

2 * * *

3 MAJORITY CHAIRMAN SAYLOR: We'll call the
4 Appropriations hearing back to order.

5 I want to welcome Chancellor Whitney for being
6 here. I had discussions with her when she was the President
7 of Clarion University and now as interim Chancellor of the
8 State System.

9 I want to welcome Lois as well and to our
10 student, Brian Swatt -- you go to a great school, not that
11 I'm partial or anything to IUP but just maybe a little --
12 and also to the President of the Shippensburg University,
13 Dr. Laurie Carter.

14 Thank you for coming and being here today. If
15 you would rise if you're going to provide testimony and
16 raise your right hand.

17 (Witnesses sworn en masse.)

18 MAJORITY CHAIRMAN SAYLOR: Thank you.

19 With that, we'll start off with questions and
20 move through that. The first questions come from
21 Representative James.

22 REPRESENTATIVE JAMES: Good afternoon, everyone.
23 Thank you, Mr. Chairman.

24 I do have a lot of questions. I'm only given
25 five minutes. But full disclosure, which is a favorite

1 term, I do want the audience to know that I have served as a
2 trustee on one of the Boards of one of our system
3 universities for 20 years. That being said, the best place
4 I can think of to start would be with the National Center
5 for Higher Education Management System Report, which was
6 recently received in the system.

7 And I think just getting right down to it -- I'm
8 sure the Board of Governors has read it -- I wonder if you
9 and the Board are working together collaboratively on some
10 of the recommendations in there and what direction do you
11 think that's taken in conjunction with your three-point
12 plan?

13 INTERIM CHANCELLOR KAREN WHITNEY: Sure. Yes,
14 sir. Thank you, Representative. I appreciate that
15 question.

16 The NCHEMS Report, which I have with me here, I
17 carry it with me every day. Probably it's the first thing
18 in the morning -- can you not hear me?

19 MAJORITY CHAIRMAN SAYLOR: Thank you.

20 INTERIM CHANCELLOR KAREN WHITNEY: That's what
21 happens when you're short. Thanks.

22 Is that okay? Not too close? All right.

23 Yes, it's a guiding document. It's actually one
24 of the reasons -- that report, while I know for some folks
25 it may have been underwhelming or a surprise or even a

1 disappointment that it didn't have certain things in it.
2 But for me, given the fact that I've been an administrator
3 and leader in higher ed, someone had reminded me yesterday
4 for almost 40 years, which made me feel old yesterday, but
5 nonetheless, it has some excellent guiding language.

6 And it's one of the reasons why I accepted the
7 post of interim Chancellor when I was perfectly happy to
8 have remained at Clarion as President. Because the nine
9 recommendations, the language, the criticism of us, it
10 provides some of the most eloquent language in higher
11 education in terms of what's wrong with us and policy
12 directions that we should seriously consider taking to get
13 what's right. So that's the big picture of how enormous it
14 is.

15 Since receiving that report in July of 2017,
16 we've had numerous retreats, workshop sessions, both with
17 the Board, with our 14 counsels of trustees, with the
18 leadership that's here with me today, the 14 Presidents.
19 Most of the 14 Presidents are here today to join in on this.
20 And in fact, we were in meetings this morning and we talked
21 about these recommendations.

22 We've gone from system review to what we're
23 calling system redesign, to what I call -- well, what's the
24 point? Where are you leading to? -- system resilience. So
25 review, redesign toward resilience. And if you go to our

1 website -- actually I like to tell people, to the right of
2 my face, if you hit a link called System Redesign, you'll
3 see a whole approach we've taken in which we actualize these
4 nine recommendations.

5 Because what we weren't going to do is to take
6 the report and then quickly put it on the shelf and forget
7 about it. We've been acting on it every day since July,
8 that mid-July presentation. And we'll continue to act on it
9 for many years to come.

10 I can give more specifics if you'd like, but
11 that's our general approach right now.

12 REPRESENTATIVE JAMES: Well, if I could drill
13 down to one specific, I'll try to steer your comments.

14 INTERIM CHANCELLOR KAREN WHITNEY: You betcha.

15 REPRESENTATIVE JAMES: I have to read a little
16 bit of this. Parts of the strategic review have complaints
17 about everything from salary considerations to program
18 management. I think you are, of all the Presidents with
19 whom I am knowledgeable, most uniquely qualified to deal
20 with the following issue, quote, the real policy document
21 under which the State System has led and managed is the
22 APSCUF Collective Bargaining Agreement.

23 So if you could -- I don't know if you believe
24 that or not. I do. If you could tie your comments about
25 that with the cash flow situation for the system, I would

1 appreciate it.

2 INTERIM CHANCELLOR KAREN WHITNEY: Yes, sir.

3 I think the notion of the recommendation of the
4 NCHEMS was to criticize us that we were spending a
5 tremendous amount of our strategic and best time, talent,
6 and resources on managing union agreements versus spending
7 our time on focusing on the students.

8 And it was an easy thing to slip into. I mean,
9 this state is a closed-shop state. There's a long history
10 of organized labor that is a part of the Pennsylvania
11 culture and history.

12 And so I think quite frankly in this year, in the
13 summer, celebrating 35 years as a system, we've had
14 universities -- our youngest is 125 years. We've slipped
15 into this culture over time. And it was a wake-up call to
16 say, well, you have agreements and you have to do them. You
17 have rules, statutes, laws, history you have to follow.
18 You're too overly engulfed by that and you're missing the
19 point. And that's the students and higher learning.

20 So I think, No. 1, that's the language I took out
21 of there. You're asking also some further questions I think
22 around union agreements and funding, if I got that one
23 right. Is that fair?

24 REPRESENTATIVE JAMES: Fair.

25 INTERIM CHANCELLOR KAREN WHITNEY: Okay. So in

1 terms of union agreements and funding -- and I mentioned
2 this when I was President and I still believe this way now
3 as Chancellor -- I have a great deal of respect for
4 agreements and for fairly negotiated contracts.

5 What I've come to appreciate over my now eight
6 years in higher education in Pennsylvania is there's a
7 structural disconnect between the way in which we arrange
8 these contracts, no matter what they are or no matter who
9 they're with. The way we arrange them and commit to them
10 and then the disconnect is the way we fund them.

11 A good point right now this cycle is I'm very
12 appreciative of the Governor indicating in his budget
13 address \$15 million for PASSHE. I mean, given the tough
14 times that this State is in, that was humbling to see that.
15 Certainly while we make the case we deserve it, one should
16 never expect it.

17 At the same time though, we have far in excess of
18 over about \$40 million in required additional labor contract
19 increases next year. The math doesn't work. 15 from the
20 State -- let's assume we got the 15 -- 40 in negotiated,
21 rightfully negotiated, contract obligations, that's a loser
22 right there.

23 I mean, what does that mean? Do we ask the
24 students for the remaining? Do we cut services and
25 programs? That's the structural problem that we're working

1 on right now. We're engaging the Board on it. You know,
2 we're looking at -- I can tell you right now we're looking
3 at what other states doing. We're going slow. We're being
4 thoughtful. We're going to engage our union partners in
5 this question. But fundamentally we are broken in the way
6 we approach contracting and funding these contracts.

7 I hope I've answered the question.

8 REPRESENTATIVE JAMES: Thank you, Doctor.

9 Thank you, Mr. Chairman.

10 MAJORITY CHAIRMAN SAYLOR: Representative
11 Donatucci.

12 REPRESENTATIVE DONATUCCI: Thank you, Mr.
13 Chairman.

14 And thank you for being here today. The thing of
15 today has been job creation and workforce development. When
16 we talk about those things, the goal is broad prosperity
17 shared by everyone. And as policymakers, we have a
18 responsibility to make sure that every Pennsylvanian is
19 getting an opportunity.

20 Underserved populations and non-traditional
21 students are a group we need to reach out to and to help
22 them and to help improve the financial health of our
23 universities.

24 So what are some of the underserved populations
25 of Pennsylvania that you're trying to reach, whether it's

1 geographical, age, race, gender, ability, income level, or
2 any other characteristics and what are we doing to reach
3 them?

4 INTERIM CHANCELLOR KAREN WHITNEY:

5 Representative, I love your question. I mean, if you think
6 about the original purpose of these universities, it was to
7 go across this State and serve the needs of the communities
8 in the Commonwealth. And that has remained a commitment
9 that we have held now going into our third century.

10 And we're also changing. For example, a third of
11 our students come from rural Pennsylvania, 21 percent of our
12 students are minority students, over about 40 percent of our
13 students are first-generation students. Did I get that
14 right? This is Lois. She's the fact person. So if I do
15 something wrong -- because I know all of you will have
16 Google up and you're going to fact-check me, right?

17 So my point is, we are Pennsylvania. We have --
18 actually in the last ten years, we have increased our
19 minority student enrollment 56 percent, which is ahead of a
20 lot of other sectors. And we're continuing to do that.

21 So we are here for -- and we also have always
22 served women. So we are serving Pennsylvania. And we
23 continue to serve Pennsylvania. We are in our strategic
24 locations geographically on our expanding online offering of
25 programs. That is the heart of who we are and how we

1 operate. And in fact, many of the students will tell you
2 that they like and choose our approach to learning and
3 teaching because it's a sense of comfort and security and
4 support. And we're very proud of that.

5 REPRESENTATIVE DONATUCCI: Thank you. And that's
6 wonderful to hear.

7 INTERIM CHANCELLOR KAREN WHITNEY: Thank you.

8 REPRESENTATIVE DONATUCCI: Thank you.

9 Thank you, Mr. Chairman.

10 MAJORITY CHAIRMAN SAYLOR: Representative Boback.

11 REPRESENTATIVE BOBACK: Thank you, Mr. Chairman.

12 Dr. Whitney, I serve as the Chairman on the
13 Subcommittee Appropriations Education portion of our
14 subcommittees. And in our discussions, we have brought up
15 this system strategic review. So I'll revert back to my
16 colleague and what he had asked.

17 But more specific, one of the recommendations of
18 the review was to restructure those institutions most at
19 risk financially. And specifically in the past I remember
20 sitting here with your predecessor discussing two of the
21 universities that struggle the most with enrollment and
22 maybe the most financially vulnerable. And, of course, they
23 would be Cheyney and Mansfield.

24 So my question is, as per the review, what is
25 PASSHE doing in executing the recommendations of the report

1 with these financially strapped institutions?

2 INTERIM CHANCELLOR KAREN WHITNEY: One of the
3 things I want to point out is I think we've been looking at
4 some things in a way that hasn't been as well serving and
5 has actually been distracting.

6 The way I look at our 14 universities is we have
7 universities with larger enrollments and smaller
8 enrollments. But we have an operating model that is about
9 300 years old, I mean, truly.

10 For example, our labor costs usually in
11 organizations are variable costs. Again, with our
12 commitments and the way we've been legislatively required to
13 operate with 90 percent of our employees in unions -- and
14 that's not a disagreement with unions. What it means though
15 is you fix work rules, you fix compensation and salary, for
16 years. It's very difficult, if not impossible, to change
17 that.

18 So really when you have smaller enrolled
19 universities, we're not able to currently be flexible enough
20 to fit our operation to the enrollment of the universities.
21 So I think we have an operations problem, not an enrollment
22 problem.

23 For example -- and what I want to really tell
24 you -- did you know there's 139 colleges and universities,
25 public and private, that offer Bachelor's degrees in this

1 State? You probably knew that, right? Did you know that
2 Cheyney is not the smallest? Cheyney is 115.

3 REPRESENTATIVE BOBACK: Wow.

4 INTERIM CHANCELLOR KAREN WHITNEY: Did you know
5 that Mansfield is 72? Now, I will have to say, because West
6 Chester would want me to, they're No. 6. Okay. In fact,
7 ten of our universities are the top 25 largest in
8 enrollment.

9 So I'll come back to anyone who wants to say
10 enrollment is a proxy for anything. Is it? What is
11 enrollment?

12 Now, I think we need to grow our enrollments
13 because we have a mission. I don't think we have to grow
14 our enrollments to prove some type of worthiness. Okay.
15 That's just a fundamental view. And we've been distracting
16 away how do we -- and that's part of the system redesign.
17 We have task groups. I think we have nine right now.
18 Several of them are around, how can we change the things we
19 can change right now? Where have we not taken stock
20 ourselves of the authority you've already given us to
21 reengineer operations to our enrollments?

22 Then the second thing is we are looking at, are
23 there legislative things that can be done to be helpful?
24 We're still working on that. Right now we're working on
25 what we can do right away versus running here and saying,

1 you fix us. We're fixing ourselves.

2 For example, the Board was courageous at the
3 October Board meeting when they set apart three priorities
4 for us to unite the 14 universities. No. 1 priority,
5 student success. No. 2 priority is leverage the strengths
6 of all the universities. Every university has strengths.
7 No. 3 is transform your approach to governance and
8 leadership. And we've been systematically working on that
9 since that time, actually since July, in piece by piece by
10 piece.

11 And this might not matter to you all, but in our
12 world it's huge. At the January Board meeting -- you don't
13 know this, but there's like 90 policies that run the system.
14 And it's like plaque. We just kept adding them over and
15 over and over again. Well, they eliminated 11 at the
16 January Board meeting because now we have a litmus text and
17 we're going through all our procedures, our regulations, our
18 standards, our reports.

19 There are reports that we fill out that no one
20 looks at. And my view is, if it doesn't advance our three
21 priorities, let's eliminate it and then if, in fact, we miss
22 it, we can put it back. That's what we're working on right
23 now. That's that kind of energy. I met with the Presidents
24 this morning. We're talking about, how can we create
25 academic programs for tomorrow? How do we use really great

1 -- we have an award-winning national database that we use
2 now to understand labor needs of this State in an extremely
3 sophisticated way.

4 And we're taking that kind of data with what our
5 students are interested in, looking at where our alumni are
6 succeeding, and working more quickly now than ever to launch
7 those kinds of credentials. That's what's happened as a
8 result of the energy that that system review report
9 generated in July.

10 REPRESENTATIVE BOBACK: And to summarize, because
11 I know my time is of the essence here -- I'm watching the
12 red light -- but hopefully those programs that you've come
13 up with perhaps in those institutions where they're losing
14 enrollment, maybe it's the desire of the type of curricula
15 that you will offer them. I was just curious.

16 INTERIM CHANCELLOR KAREN WHITNEY: Absolutely. I
17 can tell you right now our schools are not your
18 grandmother's teachers' colleges. Okay. And, in fact,
19 we've shifted to meet the needs. 28 percent of our degrees
20 are now in STEMH, Science, Technology, Engineering, Math and
21 Healthcare; business, 16 percent. And we still have our
22 heritage programs of education that's 11 percent.

23 But you know, in the day, all we were was
24 education.

25 REPRESENTATIVE BOBACK: Right.

1 INTERIM CHANCELLOR KAREN WHITNEY: The State
2 needs us in these three areas and we're delivering.

3 REPRESENTATIVE BOBACK: Thank you, Doctor.

4 INTERIM CHANCELLOR KAREN WHITNEY: Thank you.

5 REPRESENTATIVE BOBACK: Thank you, Mr. Chairman.

6 MAJORITY CHAIRMAN SAYLOR: Representative
7 Krueger-Braneky.

8 REPRESENTATIVE KRUEGER-BRANEKY: Thank you, Mr.
9 Chairman.

10 Over here. This side.

11 INTERIM CHANCELLOR KAREN WHITNEY: Oh, sorry.

12 REPRESENTATIVE KRUEGER-BRANEKY: Thank you so
13 much for joining us here today. I really appreciate it.

14 INTERIM CHANCELLOR KAREN WHITNEY: Sure.

15 REPRESENTATIVE KRUEGER-BRANEKY: I've got a
16 two-part question. I'm from Delaware County, the home of
17 Cheyney University, which is a very important institution in
18 our county locally.

19 And there was a 2014 Georgetown study that showed
20 that 77 percent of PASSHE enrollment students identified as
21 white, non-Hispanic compared to 70 percent of enrollment at
22 private colleges who identified as white, non-Hispanic.

23 Now, I think based on the statistic you just gave
24 us that maybe it's even gone up higher; 79 percent now of
25 PASSHE students identify as white, non-Hispanic.

1 So I want to know, one, what we're doing to
2 improve the diversity at our PASSHE schools. And then
3 knowing that Cheyney is a very important institution as an
4 HBCU, what are we doing in particular to make sure that
5 Cheyney will continue to be an institution that serves
6 Pennsylvanians?

7 INTERIM CHANCELLOR KAREN WHITNEY: Yes. I think
8 in terms of Cheyney, we have a tremendously successful
9 president in Aaron Walton who joined Cheyney this year who
10 had a distinguished career in health care as an executive
11 and also served as a trustee and a Board of Governor member.
12 So he has a deep, deep understanding of operations and
13 challenges.

14 Right now we're working in three areas with
15 Cheyney. One is the finances, the academic program, the
16 enrollment and quality. And, in fact, we got a briefing on
17 that just a couple hours ago on what they're doing and
18 really what's happening is doing an excruciating review of
19 all operations of all employees.

20 You can't imagine. This is one of the toughest
21 things. To be fiscally inline, they're going to have to
22 employ fewer people and at the same time they're trying to
23 grow enrollment. That is a -- if not almost impossible, it
24 is certainly a delicate task. And they're working through
25 and understanding exactly what's occurring.

1 Cheyney had slipped into some efforts of maybe
2 not being as thoughtful about who they'd enrolled
3 previously. I can tell you this, the President is committed
4 to building enrollment and quality and mapping. He has a
5 very clear understanding on the profile of students that
6 will succeed and graduate from Cheyney. And that's what
7 we're recruiting to.

8 So it's quite possible that this fall we will
9 report a lower enrollment at Cheyney and a higher quality.
10 I'm just letting you know right now. And in my view, that
11 would be a success.

12 REPRESENTATIVE KRUEGER-BRANEKY: Okay.

13 INTERIM CHANCELLOR KAREN WHITNEY: The worst
14 thing we can do is recruit somebody who in no way can
15 succeed. That's demoralizing. We always have to have an
16 integrity about who we recruit to any university program,
17 that they have a will and capacity and that we're able to
18 work with them to be successful.

19 So that is possible. So we're looking at
20 finances, enrollment, and program.

21 REPRESENTATIVE KRUEGER-BRANEKY: So can you tell
22 us how you define quality? Because I know in the materials
23 you were giving, Cheyney was one of the few schools that
24 actually saw enrollment go up recently.

25 INTERIM CHANCELLOR KAREN WHITNEY: Right.

1 REPRESENTATIVE KRUEGER-BRANEKY: And I know
2 that's one of the matrixes that at least the General
3 Assembly uses.

4 INTERIM CHANCELLOR KAREN WHITNEY: Right.

5 REPRESENTATIVE KRUEGER-BRANEKY: So if we're
6 looking possibly at declining enrollment to have a higher
7 quality program, what matrix will you be using and how will
8 you translate back to the Legislature?

9 INTERIM CHANCELLOR KAREN WHITNEY: I think those
10 are generally described as high school standing, if it's a
11 direct high school student and SAT or ACT, you know, college
12 exam. If you're a transfer student, then it would come into
13 your incoming GPA.

14 REPRESENTATIVE KRUEGER-BRANEKY: Okay.

15 INTERIM CHANCELLOR KAREN WHITNEY: We use some
16 pretty classic matrix.

17 REPRESENTATIVE KRUEGER-BRANEKY: Okay.

18 INTERIM CHANCELLOR KAREN WHITNEY: And we've set
19 minimum standards across the system. However, additional
20 programs may have additional standards. Like a lot of our
21 professional programs would have even higher standards,
22 standard into that professional program.

23 So it's just holding to those kinds of standards
24 and knowing that on occasion a university might accept
25 somebody who is a .002 off of a GPA because they have shown

1 grit or commitment. But you have to be thoughtful about
2 that. You can't lead with your heart. You have to have a
3 certain disciplined view on admission so that they have a
4 chance of being successful.

5 And I think any university has to do that. You
6 understand it's particularly difficult because many people
7 will hold a criticism to a university again back to the
8 enrollment. Oh, what's wrong with you? Your enrollment is
9 down. Well, in some cases, that's by a plan. You're
10 introducing higher quality programs, more demanding
11 programs. You're reengineering programs. You're taking
12 some things away because of the structural problem with the
13 budget. And that's going to affect enrollment.

14 REPRESENTATIVE KRUEGER-BRANEKY: Thank you.

15 And before the time is up, can you answer, what
16 are we doing to increase the diversity if our students are
17 currently 79 percent white?

18 INTERIM CHANCELLOR KAREN WHITNEY: Can you check,
19 Lois?

20 I do know that we've increased minority student
21 enrollment 56 percent over ten years. And the current one
22 is 79 percent.

23 REPRESENTATIVE KRUEGER-BRANEKY: It's 79 percent
24 white?

25 INTERIM CHANCELLOR KAREN WHITNEY: Yes. And

1 that's actually higher than the average of other public
2 universities in the State, if I'm not mistaken.

3 I get your point that obviously we've got to
4 match and exceed. But I can tell you that number far
5 exceeds the percent of minority students in the Clarion
6 area.

7 REPRESENTATIVE KRUEGER-BRANEKY: Right. But I
8 don't think it actually reflects Pennsylvania as a
9 Commonwealth.

10 INTERIM CHANCELLOR KAREN WHITNEY: Well, you're
11 getting me out of my comfort zone on facts.

12 REPRESENTATIVE KRUEGER-BRANEKY: Okay.

13 INTERIM CHANCELLOR KAREN WHITNEY: You know
14 better than I do. We can look at that. But I know that
15 given the geographic location of our universities and given
16 that most of our students, as much as 80 percent, come
17 within 200 miles, when you track diversity in that way, then
18 we are more diverse than that immediate population.

19 I completely appreciate what you're saying about
20 metropolitan Philadelphia and that sector. And I don't have
21 that off the top of my head in terms of how it relates, but
22 I get your point. We are the Commonwealth's universities.

23 REPRESENTATIVE KRUEGER-BRANEKY: Yes.

24 INTERIM CHANCELLOR KAREN WHITNEY: And we must
25 reflect that in who we're teaching and how we're teaching

1 and what we're teaching.

2 REPRESENTATIVE KRUEGER-BRANEKY: Thanks.

3 And if you got further information to supply to
4 the committee, we'd appreciate that.

5 INTERIM CHANCELLOR KAREN WHITNEY: Absolutely.
6 We will send that to you.

7 REPRESENTATIVE KRUEGER-BRANEKY: Thank you.

8 INTERIM CHANCELLOR KAREN WHITNEY: Thank you.

9 MAJORITY CHAIRMAN SAYLOR: Representative
10 Greiner.

11 REPRESENTATIVE GREINER: Thank you, Mr. Chairman.
12 Good afternoon, Madam Secretary.

13 INTERIM CHANCELLOR KAREN WHITNEY: Good
14 afternoon.

15 REPRESENTATIVE GREINER: On background, I am from
16 Lancaster County and part of Thaddeus Stevens College is in
17 my district. Part of what they're doing, they have some
18 expansion going on.

19 INTERIM CHANCELLOR KAREN WHITNEY: Yes.

20 REPRESENTATIVE GREINER: And I want to talk about
21 students' success. When you look at their school versus
22 schools in the PASSHE system, they have emphasized that they
23 nearly place 100 percent of their students after they
24 graduate. And their starting salaries are in that 40 to 60
25 thousand dollar range. These are family-sustaining jobs.

1 And after last year's hearing, the system provided us, the
2 PASSHE system provided us some information indicating in
3 their survey that nearly two-thirds of all the respondents
4 indicated their 2015 salary -- it was 2015 information --
5 was \$30,000 or more, which, of course, means a third of
6 those students were making less than \$30,000. Just the
7 math.

8 And I just wanted to see, while I understand --
9 you know, all these people have a different definition of
10 success. And I realize an annual income is not the only
11 measure of success. Should it be a concern? And should the
12 State System and universities play any role in directing
13 students or educating them to fields of study that are
14 deemed maybe more in demand by the workforce and then maybe
15 which in turn provides a faster return on investment for
16 their students, which goes into the debt, too?

17 Thaddeus Stevens, those kids are paying their
18 debt off within a couple of years also. So that's the first
19 question.

20 INTERIM CHANCELLOR KAREN WHITNEY: Well, yes. I
21 think as you're looking at the rapid growth that we've been
22 seeing in our STEMH Program, Science, Technology,
23 Engineering, Math, and Healthcare, health professions,
24 that's where our students are savvy.

25 You know, they are looking at a range anywhere

1 from, you know, 17 to 70. Most are in that, you know, 18-
2 to 22-year old range. But they are looking at their
3 interest, market; their parents are certainly looking at it.
4 And I can tell you that's why we've seen a huge increase in
5 students' interest in STEMH.

6 I will tell you that the salaries of the students
7 who graduate -- and, for example, I know IUP just reported
8 to me that in the alumni who most recently graduated, 98
9 percent secured employment. So we do have a high employment
10 rate for our students.

11 They are earning, in fact -- let's see here.
12 Where's the data on state system graduates' earnings higher
13 on average? Liberal Arts graduates earn about 2,000 more on
14 average than their counterparts nationwide. Information
15 technology related graduates, 10,000. That probably goes
16 along with a lot of the Thaddeus Stevens credentials. So
17 they're 10,000 higher. And physics graduates are 3,000
18 higher.

19 So I think when you're looking at the
20 introduction of new credentials and you're looking at the
21 intersect between student interest and industry demand, we
22 are seeing these higher salaries.

23 REPRESENTATIVE GREINER: Are you -- but when
24 these young students are coming to the schools, are you
25 letting them know that if you want a teaching position, that

1 only 20 percent of you might end up getting a job? Are you
2 relying on the students and the families to do their own
3 research?

4 INTERIM CHANCELLOR KAREN WHITNEY: No, sir.
5 Right now -- and what I'm going to do is I'm going to ask
6 Dr. Carter, who is Shippensburg's President, to talk about
7 what they're doing in the areas of career development,
8 career exploration, what I call good solid consumer
9 information about the choices you make in major now, what
10 jobs that leads to and what I call life and livelihood it
11 could lead to.

12 If I could ask her to answer that question
13 because all our universities spend a lot of time working
14 with students. And then when you consider the large
15 percentage of our students who are first generation, they
16 don't even know the questions to ask.

17 So we're doing a lot of counseling and
18 intervention early on so that they can align their interests
19 in such a way that they really feel that college experience
20 has been very relevant.

21 REPRESENTATIVE GREINER: I may have to have
22 somebody else follow up because I know my time is soon up.

23 INTERIM CHANCELLOR KAREN WHITNEY: Okay.

24 REPRESENTATIVE GREINER: I do have something very
25 relevant that I do want to ask you. You gave me statistics

1 and that was going to be a follow-up question.

2 INTERIM CHANCELLOR KAREN WHITNEY: Yes, sir.

3 REPRESENTATIVE GREINER: Could you provide us
4 with the updated information on earnings from the PASSHE
5 schools? I'd like to have the most recent year study. So
6 I'd like to see that percent of students who graduated and
7 what their salaries are. If you could please provide us
8 with that report, you can provide it to the Chairmen because
9 I think all the members of the Committee would like to see
10 that data.

11 INTERIM CHANCELLOR KAREN WHITNEY: You can count
12 on that, sir. We'll get that to you.

13 REPRESENTATIVE GREINER: Thank you so much.

14 INTERIM CHANCELLOR KAREN WHITNEY: Thank you.

15 REPRESENTATIVE GREINER: My time is just about
16 up, I see.

17 Thank you, Mr. Chairman.

18 MAJORITY CHAIRMAN SAYLOR: Representative
19 Bullock.

20 REPRESENTATIVE BULLOCK: Thank you, Mr. Chairman.
21 Good afternoon, Chancellor. How are you doing
22 today?

23 INTERIM CHANCELLOR KAREN WHITNEY: Good.

24 REPRESENTATIVE BULLOCK: We spoke a little bit
25 about Cheyney. And as we know, Cheyney is arguably,

1 depending on what university you talk to, our Commonwealth's
2 first historically black college and university.

3 INTERIM CHANCELLOR KAREN WHITNEY: That's my
4 position.

5 REPRESENTATIVE BULLOCK: I agree with you.

6 And so one of my questions, I know that we had
7 gone through a lot of challenges with Cheyney over the last
8 year and actually have made some changes. In that
9 experience, are there any changes or lessons learned that we
10 can apply to our system statewide you would recommend?

11 INTERIM CHANCELLOR KAREN WHITNEY: Oh,
12 absolutely. I think we all learn. I mean, we've been a
13 system for 35 years, I said, this summer. I think only now
14 are we acting like a system, where we learn from each other,
15 where we do exchange best practices.

16 Like I said, the Presidents aren't here with us
17 today just for this meeting. I hope you don't mind that.
18 We actually have a whole day together and into this evening.
19 We're talking. We're talking strategically. We're sharing
20 best practices. We're leveraging. President Walton gave us
21 a briefing this morning over all his work.

22 And there is a cross-pollination of best
23 practices going on here because we're all in this together.
24 I mean, obviously again, smaller-enrolled universities have
25 less margin. That's the only difference. They have less

1 wiggle room than larger old universities. They have more
2 wiggle room. Again, when you get two-thirds of your funding
3 from the student and a third from the State, volume does
4 bring more resources. Now, it brings more expenses quite
5 frankly because, you know, the money is used to provide
6 goods and services and teaching and learning.

7 So absolutely President Walton and his leadership
8 team is really leading in some ways that are a tremendous
9 benefit to the whole system.

10 REPRESENTATIVE BULLOCK: Thank you.

11 And one other question in regards to Cheyney.
12 There's one specific program I know that many people
13 attribute to its success in recent months, and that's the
14 Keystone Honors Program.

15 INTERIM CHANCELLOR KAREN WHITNEY: Um-hmm.

16 REPRESENTATIVE BULLOCK: I understand the
17 Governor's proposed budget is flat. And you're requesting
18 that \$2 million increase into that program. Could you
19 describe the program a bit and explain why you would like to
20 see an increase in that program?

21 INTERIM CHANCELLOR KAREN WHITNEY: Well, I mean,
22 it's a focus program that recruits the best and brightest
23 students to, you know, a tremendous HBCU environment and it
24 provides the supports -- let's be honest -- I wish every
25 student could have. It provides counseling and coaching and

1 support and engagement. It provides, you know, solid
2 financial support to enable them to be there. I wish we
3 were in a world that every student could be in the Keystone
4 Honors Program. But what we're doing is we're strategically
5 looking at that program.

6 The other thing I have to tell you why an Honors
7 Program is so important, because the group of students in an
8 Honors Program uplift the classroom. They inspire and
9 ignite their fellow peers. They're often mentors. And they
10 provide tutoring, that interpersonal experience of
11 excellence. It does rub off on the other students.

12 I always used to try to sit next to the smartest
13 kid in class. Because it wasn't me. Okay. And it does
14 help. It also makes the teachers better. When they know
15 they've got really bright students, they got their A game
16 on. So it is not just about a few students. It's about an
17 entire campus environment.

18 REPRESENTATIVE BULLOCK: Thank you. I really do
19 appreciate that. I participated in a similar program when I
20 attended Rutgers University. And I do believe that that
21 kind of support to our students, particularly those who may
22 be first-generation students in a university, can help them
23 be successful. And if we want our students to be
24 successful, whether they're at Cheyney or any of our other
25 universities, we need to support them and invest in them.

1 So thank you for that.

2 I have one last question actually. It's a
3 question I asked all agencies. And if you could just send
4 that in to the Chairmen, which is your own reports in
5 regards to your hiring among your staff and across
6 universities as far as faculties, staff, regarding diversity
7 in hiring in both minority status and women hiring as well.

8 INTERIM CHANCELLOR KAREN WHITNEY: We can do
9 that. We'll send that to you.

10 REPRESENTATIVE BULLOCK: Thank you.

11 INTERIM CHANCELLOR KAREN WHITNEY: Thank you.

12 MAJORITY CHAIRMAN SAYLOR: Representative Roae.

13 REPRESENTATIVE ROAE: Thank you, Mr. Chairman.

14 And thank you, folks, for being here to testify.

15 INTERIM CHANCELLOR KAREN WHITNEY: Thank you.

16 REPRESENTATIVE ROAE: This was brought up before.

17 I want to make sure everybody heard it the first time. In
18 the strategic review, there's a very startling quote. It
19 says, the real policy document under which the State System
20 is led and managed is the APSCUF Collective Bargaining
21 Agreement.

22 Now, in the information you gave us in this
23 little packet here, I think it said there's about a 4
24 percent pay raise this year. And I think it said the cost
25 was \$33.6 million. Your appropriation is only going up 15

1 million in the Governor's Budget.

2 But anyway, when you take that cost, the \$33.6
3 million, you divide it by the number of students that you
4 have, that's about \$353 per student just for the pay raise.
5 Would you favor putting that on student tuition bills just
6 to raise awareness of how expensive the Collective
7 Bargaining Agreement is to the tuition that they pay?

8 That's a yes-or-no question. But the bill would
9 say, tuition, \$7,492; faculty pay raise, \$353. Would you
10 favor adding that to the bill so the students could see it?

11 INTERIM CHANCELLOR KAREN WHITNEY: I get to say
12 yes or no?

13 REPRESENTATIVE ROAE: Correct.

14 INTERIM CHANCELLOR KAREN WHITNEY: No.

15 REPRESENTATIVE ROAE: Okay. Because before I
16 think you said --

17 INTERIM CHANCELLOR KAREN WHITNEY: I can explain
18 that if you want or do you want yes or no, sir?

19 REPRESENTATIVE ROAE: We have a five-minute clock
20 here.

21 INTERIM CHANCELLOR KAREN WHITNEY: Okay.

22 REPRESENTATIVE ROAE: A couple yes-or-no
23 questions.

24 INTERIM CHANCELLOR KAREN WHITNEY: Yes, sir.

25 REPRESENTATIVE ROAE: Does the current contract

1 still require full-time professors to teach 12 hours a week?

2 INTERIM CHANCELLOR KAREN WHITNEY: It's called a
3 four/four teaching load. Most courses are three credits.

4 REPRESENTATIVE ROAE: So it's 12 hours a week?

5 INTERIM CHANCELLOR KAREN WHITNEY: That's
6 minimum.

7 REPRESENTATIVE ROAE: Okay. Next question. Does
8 the contract still allow 7 percent of the professors to be
9 on paid sabbatical leave at any given time? The prior
10 contract did that. Does the new contract do that as well,
11 yes or no?

12 INTERIM CHANCELLOR KAREN WHITNEY: There's no
13 change.

14 REPRESENTATIVE ROAE: Okay. So 7 percent can be
15 on paid sabbatical. Okay.

16 INTERIM CHANCELLOR KAREN WHITNEY: Up to.

17 REPRESENTATIVE ROAE: Up to.

18 The prior contract gave two pay raises a year to
19 professors. There's a general pay increase and an increment
20 or a step increase for most of the professors. Is that the
21 case in the new contract also?

22 INTERIM CHANCELLOR KAREN WHITNEY: She's my
23 lifeline. And she said yes.

24 REPRESENTATIVE ROAE: Okay. And then the prior
25 contract gave free tuition to kids of professors and spouses

1 of professors. Is that still in the new contract?

2 INTERIM CHANCELLOR KAREN WHITNEY: Yes.

3 REPRESENTATIVE ROAE: Okay. Very, very expensive
4 things. So would you support efforts to rein in that
5 contract a little bit to help control costs, yes or no?

6 INTERIM CHANCELLOR KAREN WHITNEY: Does he do
7 this to everybody?

8 REPRESENTATIVE ROAE: I do.

9 MAJORITY CHAIRMAN SAYLOR: Chancellor, you're not
10 the only one. Trust me.

11 INTERIM CHANCELLOR KAREN WHITNEY: Okay. This is
12 fun.

13 REPRESENTATIVE ROAE: I think it's fun.

14 INTERIM CHANCELLOR KAREN WHITNEY: Okay.

15 REPRESENTATIVE ROAE: I think it's important.

16 Like, our young gentleman that's sitting here
17 I'll ask him a question. Maybe he'll answer more quickly.

18 Do you realize that \$353 of the tuition you paid
19 this year is for the faculty pay raise?

20 BRIAN SWATT: Yes. I'm fully cognizant of that
21 both as a student and as a Board member.

22 REPRESENTATIVE ROAE: Okay. And are most
23 students okay with that?

24 BRIAN SWATT: I can say that among my peers at my
25 university, there is some concern about the rising cost of

1 tuition. The general understanding of why the increase in
2 tuition is occurring is sometimes not completely there.

3 REPRESENTATIVE ROAE: Okay. Something else that
4 was in the strategic review. It says, collective bargaining
5 agreements have also enshrined requirements that handicap
6 the ability of institutions to address local issues and to
7 swiftly respond to local opportunities.

8 A salary schedule that is the same for all
9 disciplines and ignores differences across Pennsylvania in
10 prevailing wage and cost of living constraints -- I don't
11 have time to read the whole thing.

12 But I guess the question I'm going to ask you is
13 -- we have with us today Dr. Walker from Edinboro University
14 in the back, back here. We probably have the President from
15 Cheyney -- or West Chester, I assume.

16 In a place like Edinboro, the median household
17 income is about \$40,000 a year. In West Chester it's
18 probably \$80,000 a year. Would you support a salary
19 schedule by university reflecting their local cost of
20 living?

21 So, for example, the same exact position at
22 Edinboro would pay less than what that position would pay at
23 West Chester. Would you support that, giving the local
24 institutions more control to adjust things to the cost of
25 living locally?

1 INTERIM CHANCELLOR KAREN WHITNEY:

2 Representative, you're mentioning some very good practices
3 that exist in higher education, other unions, and other
4 states.

5 What I support is a complete review of everything
6 we're doing and how we completely approach our contracting
7 with organized labor. I support an entire review, not just
8 one particular item here right now because, again, we've got
9 something that was crafted well over 35 years ago. And it
10 doesn't reflect modern thinking and modern times toward
11 higher learning.

12 So I want a review. I talked to our statewide
13 leaders of our unions. We are working through that in our
14 system design. We need a completely different approach.

15 You mentioned some good practices. I would say
16 those all need to be discussed in a thoughtful,
17 collaborative way with our union leadership for many, many
18 of the reasons you've suggested.

19 But I'm going to say we have to go further, a
20 complete review and a complete redesign of our approach to
21 how labor and management work together in the systems
22 requirement.

23 I will say, however, that this was orchestrated
24 and constructed beyond the system and beyond the Office of
25 the Chancellor. This is part of an overall culture and

1 history of Pennsylvania that I would call out. So my
2 question back is, are you ready for us to do this? Is this
3 body ready for us to redesign our fundamental relationships
4 and are you willing to support and create those incentives
5 for that?

6 REPRESENTATIVE ROAE: Yeah. Absolutely. I
7 appreciate you answering the questions.

8 I know my time is up. But I would hope that the
9 system would encourage the Board to rein in the union
10 contracts so you don't bankrupt the whole system.

11 Thank you.

12 MAJORITY CHAIRMAN SAYLOR: Representative Kinsey.

13 REPRESENTATIVE KINSEY: Thank you, Mr. Chairman.

14 Good afternoon.

15 INTERIM CHANCELLOR KAREN WHITNEY: Good
16 afternoon.

17 REPRESENTATIVE KINSEY: Like my colleague here, I
18 want to give full disclosure. I'm a graduate of West
19 Chester University and currently sit on the Council of
20 Trustees at West Chester. With that being said, I want to
21 thank PASSHE for really taking action over the past few
22 years that I believe are taking the PASSHE system in the
23 right direction. And that is specifically hiring President
24 Fiorentino from interim to the President of West Chester
25 University, along with hiring President Walton for Cheyney

1 University.

2 And I bring that up specifically because over the
3 past two budget hearings with the past Administration, as
4 we've talked about Cheyney University, I asked a question.
5 We had an interim president at the time. And I was told two
6 years ago that PASSHE was going to hire a permanent
7 president.

8 Last year the same question came up and we still
9 had an interim at the time. So I'm very happy to see that
10 PASSHE has moved in the direction of hiring a president, a
11 gentleman who I believe is a visionary individual who is
12 going to lead Cheyney to some greater heights and take them
13 back to -- I don't want to say the glory days, but take them
14 to new heights as well.

15 One of the things that the Governor has talked
16 about was breaking down silos. The reason I ask that is to
17 meet the needs of Pennsylvanians. With that statement, I'm
18 thinking about the relationship between Cheyney University
19 and West Chester.

20 We all recognize that there were some operational
21 problems at Cheyney University. West Chester, if I'm not
22 mistaken, is still assisting Cheyney. Maybe you can talk
23 about that with the type of assistance that's being offered
24 between West Chester and Cheyney University.

25 But also in addition to that, maybe there are

1 other universities where we can combine or leverage some of
2 the talents from one university to the other university
3 without the university itself losing its identity and its
4 culture.

5 Can you speak to that, please?

6 INTERIM CHANCELLOR KAREN WHITNEY: Yes,
7 Representative, I can.

8 In fact, you've actually articulated about three
9 of the recommendations out of the System Review Report. And
10 it provides some very insightful language. The language in
11 the report uses the word consortium, a consortium approach,
12 to what I'll call our business operations. And they
13 actually gave guidance on going even further on a consortium
14 approach to our academic enterprise.

15 Let me give you an example. For example, we've
16 been using consortium approaches for a long time. Our
17 approach to health care is a consortium approach. Each
18 university doesn't do its own health care contract. It's a
19 systemwide contract. And we save millions of dollars every
20 year in working together as a system.

21 REPRESENTATIVE KINSEY: Okay.

22 INTERIM CHANCELLOR KAREN WHITNEY: So we save on
23 procurement. We have been doing that for a long time.

24 REPRESENTATIVE KINSEY: Great.

25 INTERIM CHANCELLOR KAREN WHITNEY: The idea is,

1 where can we go farther? What more can we do? So this
2 isn't a matter -- because language matters. You know, West
3 Chester is not saving Cheyney. Right now Cheyney is hiring
4 West Chester to perform certain goods and services.

5 REPRESENTATIVE KINSEY: Okay.

6 INTERIM CHANCELLOR KAREN WHITNEY: That is the
7 way it should be. That's also a consortium of when you look
8 at strengths. Again, the second priority of our system is
9 to leverage the strengths of every university. Every
10 university has strengths.

11 And so we are actually systematically looking at
12 it across. Most of the universities have one or more
13 already consortium-type relationships, whether it's a
14 consortium approach on purchase of IT equipment or on common
15 goods that are used throughout the universities.
16 Universities will go through and develop that.

17 Clarion and Edinboro have procurement agreements
18 that maximize value. That's been going on. We're
19 continuing to work on that and look at what are barriers to
20 doing even more. Because quite frankly, all our common
21 goods and stuff should be consortium purchases.

22 I think that now where we're going further is
23 looking at business operations and looking at what other
24 contracts we can do. The exciting opportunities from an
25 academic standpoint is looking at what are the strengths of

1 the academics.

2 REPRESENTATIVE KINSEY: Um-hmm.

3 INTERIM CHANCELLOR KAREN WHITNEY: For example,
4 Cheyney has an outstanding Hotel and Restaurant Management
5 Program. So where do they leverage that to other
6 universities? Where does a program like at Clarion in
7 nursing, how do they leverage that to other universities?

8 So it's knowing we all have strengths and how do
9 we create either online platforms or other ways that
10 students can enter into a systemwide marketplace, an
11 academic marketplace, and purchase and acquire credits or
12 certificates or majors or minors in ways that they aren't
13 right now?

14 That's the kind of discussion we're having right
15 now in ways that we can advance and grow within our system.

16 REPRESENTATIVE KINSEY: Great.

17 INTERIM CHANCELLOR KAREN WHITNEY: Does that help
18 answer the question?

19 REPRESENTATIVE KINSEY: Yes, it definitely does.

20 And, Dr. Whitney, let me just jump quickly to
21 another subject, if I may.

22 INTERIM CHANCELLOR KAREN WHITNEY: Sure.

23 REPRESENTATIVE KINSEY: We've had some discussion
24 in regards to adult learners. You know, I think that the
25 demographics is changing in regards to number of students

1 that are leaving high school and entering college.

2 But I guess my question to you is, what is PASSHE
3 doing to attract adult learners? I'm talking maybe
4 individuals 24 years of age and older.

5 INTERIM CHANCELLOR KAREN WHITNEY: Sure. I think
6 right now we have 20 percent of all of our undergraduates
7 who are transfer students and many that would qualify as
8 adult learners, the general definition. And 46 percent of
9 our undergraduates came from community colleges of those
10 transfer students.

11 So several things we are doing right now. I
12 mean, we are -- we look at our colleagues in the community
13 colleges as preferred partners. And we are continuously
14 looking at how to bring that pathway to make it as seamless
15 as possible for students to matriculate from community
16 college to university. That is something that can't be
17 underscored enough.

18 The other thing that we're doing is realizing
19 that while right now we are in a temporary period because
20 it's a demographic cycle, much like the stock market these
21 days of highs and lows, we're in a demographic cycle now of
22 declining high school students.

23 But did you know there's 1.4 million people with
24 some college and no degree? There's 1.4 in this state.
25 That is the current demographic that we should be also

1 paying attention to as we diversify our pipelines from now
2 on because that's where Pennsylvania needs us.

3 Now, not all of our 14 universities are going to
4 jump in to that 1.4 million. But most will. Again, it's
5 every university has its own mission and vision, its own
6 strengths, and we're going to leverage that to the adult
7 population.

8 REPRESENTATIVE KINSEY: Dr. Whitney, I want to
9 say thank you very much.

10 INTERIM CHANCELLOR KAREN WHITNEY: Thanks.

11 REPRESENTATIVE KINSEY: I'm excited to have you
12 even though it's interim Chancellor. But I'm truly excited
13 to have you.

14 INTERIM CHANCELLOR KAREN WHITNEY: Thank you.

15 REPRESENTATIVE KINSEY: So I want to say thank
16 you very much.

17 INTERIM CHANCELLOR KAREN WHITNEY: Thank you.

18 REPRESENTATIVE KINSEY: Mr. Chairman, thank you
19 also for the additional time.

20 Thank you.

21 MAJORITY CHAIRMAN SAYLOR: You're welcome.

22 I wanted to recognize, before we move to the next
23 questioner, that Representative Tobash from Schuylkill County
24 is here as well. He's not a member of the Committee but has
25 showed up to listen to the testimony.

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With that, I recognize Representative Dunbar.

REPRESENTATIVE DUNBAR: Thank you, Mr. Chairman.

Since we're having full disclosure by the trustees, between Representatives Kinsey and James, I will fully disclose that my daughter is a junior at Slippery Rock and she has provided me with a lovely T-shirt that says, The Good, The Bad, The Ugly. The good being Slippery Rock, the bad being Clarion, and the ugly being IUP.

INTERIM CHANCELLOR KAREN WHITNEY: We have that same T-shirt at Clarion.

REPRESENTATIVE DUNBAR: So I was wondering, Mr. Swatt, what does your T-shirt say?

BRIAN SWATT: Something along the lines of a slimy pedal and reminding that we also won the homecoming football game as well.

REPRESENTATIVE DUNBAR: Did you really?

BRIAN SWATT: Yes.

REPRESENTATIVE DUNBAR: Very good. Where are you from, Mr. Swatt?

BRIAN SWATT: I'm originally from the Scranton area.

REPRESENTATIVE DUNBAR: And you went all the way to IUP?

BRIAN SWATT: Yes.

REPRESENTATIVE DUNBAR: How did you end up there?

1 BRIAN SWATT: A little bit of background of
2 myself. I'm a finance student. So affordability was at the
3 forefront of my decision-making process. And I was looking
4 for schools that provided a high-quality education, and
5 opportunities within the institution that I can take
6 advantage of was also very important. But the price was the
7 biggest issue right there.

8 My cousin went there. And she recommended it and
9 I fell in love with the campus.

10 REPRESENTATIVE DUNBAR: Wonderful. And if you
11 had to make a list of IUP. The good, bad, and ugly, what
12 would that be? Not other schools but at IUP.

13 BRIAN SWATT: I think the opportunities that are
14 there present for any student are absolutely invaluable. I
15 would not be where I'm at today without the opportunities
16 that I've had, but also just because of the mentors that
17 I've had. And every member of that university is willing to
18 help you.

19 As far as the bad, the precipitation. IUP
20 actually stands for, it usually precipitates. But as far as
21 the school, I wouldn't have any specific reason at the
22 moment. I really enjoy my time at the university.

23 REPRESENTATIVE DUNBAR: And when you were
24 deciding on IUP, what other schools were you looking at?

25 BRIAN SWATT: I was looking at Penn State. The

1 attractive awards there was the biggest alumni base. But,
2 you know, if you compare that to the alumni base for the
3 State System, there's over 750,000 State System alumnus. So
4 that's something pretty unique as well.

5 But I was looking at West Chester, another State
6 System school. Like I said, I fell in love with IUP when I
7 visited the campus.

8 REPRESENTATIVE DUNBAR: And I can understand
9 that. And I know what my daughter's situation was. And she
10 just fell in love with Slippery Rock.

11 With that being said about the schools competing
12 and competing for students like yourself, I did want to ask
13 Dr. Whitney, the strategic system review had made a point
14 about a threat to our State System schools is the
15 competition itself. I believe the wording was, unhealthy
16 competition among our institutions or collaboration would
17 better serve students in the state.

18 Can you give us some input on how you're
19 addressing that? Not only competition between the State
20 System schools but the State System and State-related
21 schools where it seems like now they're more in direct
22 competition with their satellite schools than they were in
23 the past. Because I know my daughter's choices were between
24 like a satellite school and Penn State and Slippery Rock.

25 INTERIM CHANCELLOR KAREN WHITNEY: I can tell you

1 I took that language to mean we had created a mindset of
2 unhealthy or what I would even call ruthless competition
3 when actually we should be looking at leveraging and
4 collaborating.

5 I mean, Pennsylvania has an interesting history
6 of having an abundance of private and public institutions in
7 this State. But the mindset that competition -- many people
8 think, oh, competition is good. There's a downside that it
9 keeps people holding secrets. It keeps a distance.

10 I mean, we are not a for-profit retailer. We are
11 the State System of higher learning. So we are about
12 collaboration and engagement and leveraging our resources,
13 the students' as well as the State's.

14 And that's what I took that to mean, as it had
15 gotten to an unhealthy part. And that's why, for example,
16 the Presidents have been very kind. We're meeting more now
17 than ever. We're talking about best practices. We're
18 talking about strengths. We're looking at each other's
19 academic programs.

20 And we're asking ourselves the question, where's
21 the unmet demand here? We're looking at labor force data.
22 We're looking at the 170,000 jobs that are projected to be
23 open in this state in the next couple of years and how do we
24 present credentials that fulfill those kinds of demands.

25 And we're doing it in a collaborative way, not in

1 you're a winner and you're a loser.

2 REPRESENTATIVE DUNBAR: And if you would, who
3 would you think you are competing with? Are you competing
4 with our State related schools? Are you competing with
5 their satellite schools? Understand, we fund them as well.

6 INTERIM CHANCELLOR KAREN WHITNEY: I have to tell
7 you -- I hope you'll find this a satisfactory answer --
8 we're competing not with the 139, we're competing against
9 poverty. We're competing against domestic violence, opioid
10 abuse. We're competing with communities that are so
11 undereducated particularly in the rural communities here.

12 We still have women, kids, who grow up in
13 families where their parents don't want them to go to
14 college. That's what we're competing against. That's our
15 competition. Because we are not at the forefront in this
16 country of college-educated citizens. We're pretty much in
17 the middle.

18 So my view is our competition are these larger
19 societal forces, not whether there's a university, you know,
20 closer than I'd like it to be back when I was President of
21 Clarion. So that's the kind of thing. Our point is to be
22 relevant and to provide value.

23 Now, do I wish that in a way we were back in 1983
24 when the State paid two-thirds of the cost to operate a
25 university and the student paid a third? Well, sure. And

1 am I going to make the case that the 73 million increase
2 we've asked for should be funded? Yes. Would I like the
3 State to meet the students 50/50 maybe? Yes.

4 But the competition isn't in these universities.
5 The competition are these larger issues.

6 REPRESENTATIVE DUNBAR: And I appreciate that.
7 And I think we'll have a little bit further conversation in
8 the future about that, but we are out of time.

9 INTERIM CHANCELLOR KAREN WHITNEY: I would
10 appreciate that, sir.

11 Thank you.

12 MAJORITY CHAIRMAN SAYLOR: I'm going to use my
13 Chairman's prerogative here. You know, we are extremely
14 proud of the Philadelphia Eagles and the World Champion
15 Eagles. We're extremely proud of how well Penn State did.

16 But, Brian, would you like to tell us how IUP's
17 football team did this year?

18 BRIAN SWATT: Yes. We almost actually made it to
19 the National Championship. Unfortunately, we lost the game
20 that was right before the National Championship. So we have
21 a very good football team and definitely commend all the
22 players there.

23 MAJORITY CHAIRMAN SAYLOR: Thank you, Brian.

24 (Applause)

25 MAJORITY CHAIRMAN SAYLOR: With that, we'll go to

1 Representative Briggs.

2 REPRESENTATIVE BRIGGS: So I always get tough
3 timing. So my questioning was going to be regarding
4 competition and the outside forces. You answered it much
5 more eloquently than I would have set it up.

6 I have a senior in high school. And we visited
7 way more colleges than I ever remember visiting when I went
8 to West Chester. I think I went to two. And I did fall in
9 love with West Chester.

10 But the competition of just the institutions, you
11 know, the facilities that they need and the pool and how
12 great they all are. And it was private schools and
13 state-related and state-owned schools.

14 But the bottom line is, as Brian said, it's the
15 cost. And we are setting a generation up with huge debt.
16 And if we don't, as policy leaders, start addressing that
17 and get it to a 50 -- I was going to ask you what the ratio
18 should be. Should it be 50/50? Should it be back to
19 two-thirds? three-quarters us? That's the direction I would
20 want to go.

21 And I know you're doing more with less and you're
22 being efficient and you're cost saving. Every year I ask,
23 give me some examples of what the campuses are doing to save
24 money. You're doing all those. I don't want to send my
25 daughter to a school that doesn't attract good professors.

1 I want our schools, our State-owned schools, to be just as
2 good as every other school. And if you're going to nickel
3 and dime them and try to say, you know, you're not going to
4 get the same benefits as other schools, we're setting
5 ourselves up for the wrong direction.

6 I love the questioning you got. We get some
7 questions, you know, we only work 80 days a year. That's
8 bogus. We don't work only 80 days a year.

9 Maybe we should only get paid what our cost of
10 living is in our district. Mary Jo and I would like that.
11 We come from a wealthy district so that would help us.

12 So these are just gotcha-type questions. It
13 isn't really talking about the future of higher education.
14 I guess I really don't have a question. But if we can do a
15 better job of funding our State-owned schools to make
16 tuition more affordable, to try not to strap the next
17 generation and allow you to compete against schools that are
18 offering a lot more financial aid than your schools are
19 able.

20 I don't know if you want to add. I mean, it's
21 not a question. I just -- it's frustrating listening to
22 people.

23 INTERIM CHANCELLOR KAREN WHITNEY: My first
24 comment is to say amen. And then the second one is to say
25 there is a fundamental relationship between the partnership

1 between the student and the state, particularly our kind of
2 universities. Our universities are dedicated universities
3 to teaching and learning. Our faculty work 24/7.

4 And you gave a good example here about how public
5 can misunderstand how hard you're working. I know how hard
6 you work. I know how hard Lee James works and where he is
7 all the time. I know that our faculty work. Our faculty
8 work 24/7. They do way more than be in their classes 12
9 hours a week. They spend two to three hours a week
10 preparing for every hour in class. They're doing research.
11 They're doing service. They're doing advising and mentoring
12 and being with the students in that experience.

13 And all of you are alum. You know faculty that
14 met with you outside of class and what they meant to you.
15 That's occurring right now, too. The fastest way we can get
16 to better equilibrium is to look over multiple years. This
17 took 35 years to make to get us to this. We're upside down.

18 The students shouldn't be paying a third --
19 two-thirds and the State shouldn't be paying a third. It
20 really ought to be closer to 50/50. We need to get a handle
21 on our approach to organized labor in our contracts so they
22 can be sensible and flexible to allow for stability.

23 What we need now more than anything are
24 institutions that can be in stable operating modes so they
25 then can deliver really relevant college experiences,

1 relevant meaning that you graduate in a timely way, you have
2 a plan after graduation, and you've prepared yourself for
3 your life. It takes organizational stability.

4 And I can tell you right now where we have passed
5 a line is in disinvestment in our operations and cutting
6 services and programs. It's often really easy to say, well,
7 we'll balance our budget by cutting something. Then you go
8 back as a college president and you look at, what do we cut?

9 At the very same time, we are an access
10 institution. We are first-generation students and students
11 who have overcome a lot to be here. I got to tell you, it's
12 a spoiler alert. They need services and supports. They
13 need programs that cost money. And they're often the ones
14 that get cut first.

15 So we're in a cycle right now we have to break.
16 The interim's report gave great guidance on how to disrupt
17 that cycle. And we're working on that right now.

18 REPRESENTATIVE BRIGGS: Thank you.

19 Real quick. The report mentioned the 2011 cut.
20 Did that go back to the --

21 INTERIM CHANCELLOR KAREN WHITNEY: Yes. In the
22 deeper report, it did. I was here. I started July 1st,
23 2010, and experienced that cut in 2011. And in this room in
24 2011, I sat where Dr. Carter sat and had to talk about what
25 the effects were going to be on Clarion University. And it

1 was worse than I predicted.

2 REPRESENTATIVE BRIGGS: That's what I meant.
3 President Fiorentino in West Chester was talking to a group
4 of students during that time. It was something that we were
5 very nervous about. I wasn't on the committee. Chairman
6 Markosek gave me a sabbatical that term. But it's something
7 that we definitely should revisit. We should be going in
8 the right direction.

9 INTERIM CHANCELLOR KAREN WHITNEY: Well, we are
10 going in a steady direction. I appreciate the support that
11 the Legislature and the Governor has given us over the last
12 several years. It has not made up for that period that you
13 mentioned.

14 REPRESENTATIVE BRIGGS: Thank you.

15 MAJORITY CHAIRMAN SAYLOR: Very good.

16 We'll go to Representative Delozier.

17 REPRESENTATIVE DELOZIER: Thank you, Mr.
18 Chairman.

19 First, I have a statement. And a lot of my
20 colleagues have hit on a lot of the issues that I think are
21 important for our higher ed. And I'm going to take a little
22 bit different bend.

23 But first I did want to make a statement. A lot
24 of us have kids that are either in the system or going into
25 the system. I have a junior in high school. And I guess I

1 would just encourage any outreach that the system can do on
2 educating a lot of our students on the cost of education and
3 how to find grants, how to look for scholarships, and ways
4 that they can go.

5 You know, PHEAA. Obviously we just had PHEAA and
6 I'm on the PHEAA Board. We need to find a way to fund
7 education and have the ability to do that.

8 INTERIM CHANCELLOR KAREN WHITNEY: Yes.

9 REPRESENTATIVE DELOZIER: That's kind of a
10 statement more than my question.

11 My question would go to the issue of campus
12 safety. We hit a lot of the issues that are important. But
13 I also believe that our safety on our campuses is paramount.
14 In your description here, in your Appendix, B3 talks about
15 the fact that State System universities have 75 percent
16 fewer incidents of serious crimes than the state average.

17 Two questions there. What is the average that
18 happens on the state campuses? And, B, what do you consider
19 a serious crime?

20 INTERIM CHANCELLOR KAREN WHITNEY: Our fact
21 checker is going to find the fact because I don't know that
22 off the top of my head.

23 REPRESENTATIVE DELOZIER: Okay.

24 INTERIM CHANCELLOR KAREN WHITNEY: There is
25 terminology defined by the Federal Government.

1 REPRESENTATIVE DELOZIER: To use the same -- you
2 use that same description.

3 INTERIM CHANCELLOR KAREN WHITNEY: We use the
4 same terminology.

5 REPRESENTATIVE DELOZIER: Okay. I wasn't sure if
6 there was a difference.

7 INTERIM CHANCELLOR KAREN WHITNEY: Would you like
8 to hear from a college president on what we're doing to help
9 students be safer?

10 REPRESENTATIVE DELOZIER: Well, I do. And let me
11 follow up just also. I definitely want to hear that. My
12 question also comes in line as to the fact of with the
13 serious crime part of it, you mention in the description
14 going forward the university will need to add victim
15 advocate positions, employ appropriately trained
16 investigators and conduct campus security.

17 This page has been in this briefing for a number
18 of years. It still says, we need to.

19 INTERIM CHANCELLOR KAREN WHITNEY: Um-hmm.

20 REPRESENTATIVE DELOZIER: So I guess to the
21 response that you may be giving me, why haven't we done it?

22 INTERIM CHANCELLOR KAREN WHITNEY: Money.

23 REPRESENTATIVE DELOZIER: Okay. Money. But
24 you're asking for 58 more positions. Are any of these
25 positions in those 58 complement?

1 INTERIM CHANCELLOR KAREN WHITNEY: No. Most of
2 those positions are faculty.

3 REPRESENTATIVE DELOZIER: Okay. So it's not a
4 priority then to hire these types of individuals? It's more
5 of a priority -- I mean, shouldn't it be balanced out,
6 campus safety and reaching out to students as well as the
7 faculty needs?

8 INTERIM CHANCELLOR KAREN WHITNEY: It is a
9 balancing act when you're looking at it with resource
10 dollars, where do you put into the faculty and where do you
11 put into these other options to have a balanced portfolio.

12 REPRESENTATIVE DELOZIER: I totally understand
13 that because we all have to balance that budget.

14 INTERIM CHANCELLOR KAREN WHITNEY: Right.

15 REPRESENTATIVE DELOZIER: So I mean everybody has
16 that same problem. I guess my issue is that this page has
17 been in here for a number of years. And that line hasn't
18 changed. So we need to -- and every year there's different
19 complement numbers.

20 INTERIM CHANCELLOR KAREN WHITNEY: Right.

21 REPRESENTATIVE DELOZIER: So it seems that over
22 the last couple years, this has fallen by the wayside, be it
23 more and more we hear about the safety of our students and
24 many, you know, underreported statistics. How are we doing
25 this? Where is the information going? Yet we hear many,

1 many campuses, not necessarily in Pennsylvania, so I'm not
2 throwing you guys under -- but across our United States that
3 have very, very big issues with fraternity issues, with
4 alcohol, with all of that that lead to very poor
5 decision-making and people getting seriously hurt, if not
6 killed.

7 INTERIM CHANCELLOR KAREN WHITNEY: What I can
8 tell you that might mislead on is that's a request for
9 State-appropriated funds. Many of the universities in
10 absence of State-appropriated funds use fee funds to
11 fulfill -- to hire people and to fulfill the kinds of
12 services and programs you're talking about.

13 So I would have to tell you don't assume -- I
14 would suggest, don't assume that people are not being hired
15 or retained for the services and programs you've suggested.

16 What we've had to do, given the limited state
17 appropriations, is look to the students to fund those
18 services for the students.

19 REPRESENTATIVE DELOZIER: Well, do you have any
20 records as to these positions being filled?

21 INTERIM CHANCELLOR KAREN WHITNEY: Yes.

22 REPRESENTATIVE DELOZIER: Well, that's what I'm
23 asking for. So can we get that information?

24 INTERIM CHANCELLOR KAREN WHITNEY: We'll send you
25 that. It's just not being funded. It used to be. It was

1 one of those when you go from funding two-thirds of an
2 operation to a third, there's a lot of used-to-be's. It
3 used to be funded from state money. Now it's being funded
4 by students or it's not being funded at all.

5 But we will definitely get you a comprehensive
6 description of where we're using all our resources to
7 advance the safety and security of our students.

8 How's that sound?

9 REPRESENTATIVE DELOZIER: That would be fine.

10 Are your -- does your -- your campuses are very
11 different. And I know that some are and some aren't. Can
12 you give me a list of which ones are Act 120 certified for
13 your campus?

14 INTERIM CHANCELLOR KAREN WHITNEY: We can get
15 that. I don't know that, but we can get a list.

16 REPRESENTATIVE DELOZIER: Because I know it's
17 different on different campuses, which I never quite
18 understood why some are Act 120 certified. Because you
19 mention in your book that they're commissioned, trained, and
20 armed. So all of them carry?

21 INTERIM CHANCELLOR KAREN WHITNEY: Well, yes, all
22 of them are licensed in the same level. They're all State
23 licensed, you know, officers.

24 REPRESENTATIVE DELOZIER: Okay. And then the --

25 INTERIM CHANCELLOR KAREN WHITNEY: Also in

1 addition, a police department may hire other types of
2 axillary folks, not just licensed. You may have a security
3 guard.

4 REPRESENTATIVE DELOZIER: Community kind of
5 service?

6 INTERIM CHANCELLOR KAREN WHITNEY: Right. There
7 could be larger forces and a variety of personnel.

8 REPRESENTATIVE DELOZIER: Okay. And just the
9 ability -- so I would just ask for that information, if
10 possible, as to where we stand with those changes.

11 And just in the book it says that we need to be
12 hiring. So I'm inferring that you have yet to hire so
13 that's why I'm confused as to what you do have and don't
14 have.

15 VICE CHANCELLOR LOIS JOHNSON: Some hiring has
16 occurred. As positions become vacated, they get
17 reprioritized into some more high priority areas of which
18 this would be some of those areas.

19 REPRESENTATIVE DELOZIER: Okay. And that's why
20 I'm just asking for that information.

21 INTERIM CHANCELLOR KAREN WHITNEY: We will get
22 that to you.

23 Would you like to hear from a college president
24 about --

25 REPRESENTATIVE DELOZIER: Sure.

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MAJORITY CHAIRMAN SAYLOR: I was just going to recognize Dr. Carter.

REPRESENTATIVE DELOZIER: I was going to say the Chairman is going to yell at me if I don't be quiet, so by all means.

MAJORITY CHAIRMAN SAYLOR: Dr. Carter.

PRESIDENT LAURIE CARTER: Thank you.

I would say that we are actually doing things on a daily basis to improve the safety of students on our campuses. And while we have undergone budget cuts and have had to reallocate funds, we are always training our staff and not just particular staff members but all of our staff members on how to keep our students safe.

In addition to that, we're training students on how to keep themselves safe. Our police on my campus and I'm sure on all of the other campuses are very active in the process of training students on how to be safe in and around campus, provide escort services, provide training both on campus and off campus for students so that their living and learning communities are safe.

So whether we have additional funds or not, we are working every day to make sure that every student on our campus is safe.

REPRESENTATIVE DELOZIER: Thank you.

MAJORITY CHAIRMAN SAYLOR: Thank you, Dr. Carter.

1 Representative Daley.

2 REPRESENTATIVE DALEY: Thanks, Mr. Chairman.

3 Dr. Whitney, I just have to tell you that I have
4 really enjoyed your testimony. I think your answers have
5 been really enlightening in the challenges you face in
6 heading up this system. So I appreciate your comments.

7 I was going to ask you about older adult
8 education simply because my own path through college was to
9 go get an Associate's Degree after high school, go work for
10 a few years, and then go back and go to school at night
11 while I was working full time.

12 So I really value and understand the challenges
13 that that kind of situation can put in front of people. But
14 I also appreciate the rewards and the benefits that it can
15 provide.

16 I think it's really important to, you know -- the
17 focus on that I think is an important one because it's about
18 jobs but it's also about that broad education that you can
19 get and how important that is.

20 So I have a note here that we value education in
21 Pennsylvania. I sometimes question how much we actually
22 value Pennsylvania and education when I sit at
23 Appropriations hearing s. And I do understand that our need
24 is to fund all of the needs of the State in a reasonable,
25 fair way that doesn't overburden the citizens of

1 Pennsylvania.

2 In just thinking about that and understanding the
3 needs of students and employers change quickly, you've just
4 gone through this strategic study. Are there legislative
5 changes that you would look to us to be making when you're
6 doing a system redesign that would enable PASSHE to be more
7 flexible and make your job easier?

8 INTERIM CHANCELLOR KAREN WHITNEY: Yes. Thank
9 you very much for the opportunity.

10 Again, I can't underscore I am having so much fun
11 being Chancellor. I mean, these Presidents keep me on my
12 toes. And there's 14 councils of trustees, 154 people, and
13 a 20-member Board. They're all No. 1 in my life. So, yeah,
14 okay.

15 REPRESENTATIVE DALEY: It really shows.

16 INTERIM CHANCELLOR KAREN WHITNEY: Well, let me
17 tell you back on how we can help. We are working up a
18 legislative agenda. I apologize I can't present something
19 right now because we have so many stakeholders. We're
20 processing it. Right now we're working with the Board and
21 the trustees and the Presidents on looking at what really
22 matters.

23 I don't want to come in here and waste your time.
24 I want to come in with a few things that can matter the most
25 right now. And let's be quite frank, that can really

1 obviously get a lot of support. I'm not here to fight with
2 anybody. I'm here to move the system along.

3 I will tell you one of the most concrete
4 recommendations in this NCHEMS study is something that most
5 recently, a couple weeks ago, Ken Mash, who's President of
6 APSCUF, and I talked about is the recommendation that we
7 should be able to pursue buyouts and phase retirements.

8 Again, we have a workforce that is a beautiful
9 workforce. The men and women who are the faculty and staff
10 of this system, they have given. Many of them this is their
11 career. Their life's work has been the students at these
12 universities.

13 The downside is if you're in one area that was
14 really an incredibly hot area 25 years ago and it isn't
15 right now, how do you change that? That's a tough deal. So
16 we lack the tools to engage in a respectful and appropriate
17 way to shift our workforce. We've got tools. Most of them
18 are terrible. We need more tools.

19 There's a task group that is labor and management
20 right now looking at phased retirement and buyouts. My
21 preliminary briefing is that we are legislatively not
22 authorized to do buyouts. I really believe we need that
23 tool.

24 REPRESENTATIVE DALEY: Okay.

25 INTERIM CHANCELLOR KAREN WHITNEY: We're working

1 through the details. We need phased retirements so that we
2 can work with people in a respectful way on how to
3 graciously complete their career.

4 Those are the things I can tell you right now
5 we're working on. And particularly for the buyouts I hope
6 to get something as a request on that language as soon as
7 possible.

8 REPRESENTATIVE DALEY: And so were they
9 discussions that you are having with APSCUF?

10 INTERIM CHANCELLOR KAREN WHITNEY: We're doing
11 that right now.

12 REPRESENTATIVE DALEY: With APSCUF?

13 INTERIM CHANCELLOR KAREN WHITNEY: Yes.

14 REPRESENTATIVE DALEY: Are they involved in the
15 discussions?

16 INTERIM CHANCELLOR KAREN WHITNEY: Yes. They
17 involve all employees.

18 REPRESENTATIVE DALEY: Okay.

19 INTERIM CHANCELLOR KAREN WHITNEY: You have the
20 potential buyouts and phased retirements would affect all
21 but we're going to start there and work through with all of
22 them.

23 REPRESENTATIVE DALEY: Okay.

24 INTERIM CHANCELLOR KAREN WHITNEY: But those are
25 the kinds of tools that we need that we don't have that most

1 other systems like ours with organized labor have in this
2 country and we don't.

3 REPRESENTATIVE DALEY: So having worked in a
4 university for 20 years, I know that those initiatives can
5 take time. Do you have a timeline for when you're going to
6 have that agenda?

7 INTERIM CHANCELLOR KAREN WHITNEY: I'm going to
8 ask him that when I leave the room.

9 REPRESENTATIVE DALEY: And you'll let us know?

10 INTERIM CHANCELLOR KAREN WHITNEY: Yes. To me, I
11 would love to take it to the next Board meeting. We're very
12 enthusiastic. I mean, we have to be thoughtful and right in
13 what we're doing because we're working with people.

14 REPRESENTATIVE DALEY: Right.

15 INTERIM CHANCELLOR KAREN WHITNEY: And their
16 careers.

17 REPRESENTATIVE DALEY: Right.

18 INTERIM CHANCELLOR KAREN WHITNEY: We also --
19 let's be really clear here. The whole point is to shift and
20 shape the workforce to our enrollments like I mentioned
21 earlier.

22 REPRESENTATIVE DALEY: Exactly.

23 INTERIM CHANCELLOR KAREN WHITNEY: So it's not as
24 easy as it sounds. But there is a team working on it. And
25 my hope is before I leave, being a temp, this summer that I

1 can get these items matriculated through.

2 REPRESENTATIVE DALEY: Well, I wish you the best
3 for the rest of your tenure. And thank you very much.

4 INTERIM CHANCELLOR KAREN WHITNEY: Thank you.

5 REPRESENTATIVE DALEY: And we'll look forward to
6 seeing something hopefully soon.

7 INTERIM CHANCELLOR KAREN WHITNEY: Thank you very
8 much.

9 REPRESENTATIVE DALEY: Thank you.

10 MAJORITY CHAIRMAN SAYLOR: Okay. We will move to
11 Representative Helm.

12 HEARING OFFICER HELM: Thank you, Mr. Chairman.
13 And welcome, panel. I want to talk about tuition
14 rates.

15 INTERIM CHANCELLOR KAREN WHITNEY: Yes, ma'am.

16 HEARING OFFICER HELM: Currently the State System
17 has basically uniform tuition price for Pennsylvania
18 residents attending one of the PASSHE schools. Now, I
19 realize if you're an out-of-state student, the price is
20 different.

21 INTERIM CHANCELLOR KAREN WHITNEY: Um-hmm.

22 HEARING OFFICER HELM: But has there ever been
23 any consideration on the part of a PASSHE Board to allow
24 differential pricing among the universities like maybe with
25 a more popular school or not?

1 INTERIM CHANCELLOR KAREN WHITNEY: Yes. In fact,
2 we're engaged in that right now. At the most recent January
3 -- we've been -- you know, institutions by nature need to
4 move thoughtfully. Now, sometimes we're accused of being
5 glacial in our approach to change. But we have to be
6 thoughtful on things like pricing.

7 REPRESENTATIVE HELM: Sure.

8 INTERIM CHANCELLOR KAREN WHITNEY: And for
9 several years now we did experiment with pilots. Like a
10 university would say, I have an idea on offering a price in
11 a certain way based on a program or criteria. So for
12 several years we were working through some of the kinds of
13 ideas of variable approaches to pricing.

14 Now we're at a point of maturity. The
15 universities are coming into the Board -- and, in fact, at
16 the January Board meeting, in the same Board meeting, East
17 Stroudsburg introduced a really elegant approach to pricing
18 called the warrior promise. It's a guaranteed price on the
19 tuition if students meet certain conditions, the idea that
20 they come in and within eight semesters that tuition -- now
21 there's fees. There's room and board. I'm not talking
22 about that. I'm talking about the tuition -- stays the same
23 for eight semesters.

24 They decided they want to push an eight-semester
25 completion of a Bachelor's Degree. That happened at the

1 same time under President Driscoll's leadership. IUP
2 presented a rate what would be a lower rate for the students
3 who were taking courses at his Punxsutawney campus.

4 So we are engaged right now. In fact, what I
5 will tell you over time, I believe we will mature, not to a
6 one size price for all, which I think is a mistake, to
7 individual pricing. There will be the Ship price and the
8 Bloom price and the Kutztown price that links back to their
9 mission, their strategic plan, their academic program, and
10 their purpose.

11 It will all line up together. And that's
12 occurring in a very methodical, thoughtful way.

13 REPRESENTATIVE DALEY: I think that sounds like a
14 good idea because students don't necessarily go close to
15 where they live. Like you gave us this sheet for alumni.
16 And I see from my area, not necessarily the distance is how
17 they picked the school.

18 INTERIM CHANCELLOR KAREN WHITNEY: What I'm going
19 to introduce is a concept of regional affordability. This
20 State is a complex state. I mean if you think about average
21 family incomes by certain counties, there's a two to three X
22 factor difference between family incomes.

23 We need to be more sensitive in our regional
24 affordability throughout the State. And that's, to me, the
25 fundamental reason why we have to walk away from a pretty

1 much 1970s view of pricing of one size fits all.

2 REPRESENTATIVE DALEY: All right.

3 And, Dr. Whitney, you also said every university
4 has its strengths. But which universities in the system are
5 the strongest financially in enrollment stability?

6 INTERIM CHANCELLOR KAREN WHITNEY: Given the fact
7 that two-thirds -- most of our revenue is in our teaching
8 and learning enterprise. And the students are paying
9 two-thirds of the cost of operation. The larger
10 universities have the larger enrollments.

11 REPRESENTATIVE DALEY: So what do you feel their
12 secret to success is?

13 INTERIM CHANCELLOR KAREN WHITNEY: Location.

14 REPRESENTATIVE DALEY: Location? Really.

15 INTERIM CHANCELLOR KAREN WHITNEY: Yes. You
16 know, not to besmirch the larger enrolled universities and
17 their leadership and their wonderful faculty, there is some
18 advantage to location. There is also -- that's the simplest
19 answer I can give, because I thought about that a lot.

20 I will tell you now that in terms of the
21 leadership we're bringing in, they are entrepreneurial and
22 innovative in trying to figure out how to get beyond that.
23 And again, that's why you're seeing the growth in STEMH
24 credentials and you're seeing growth in business.

25 The other thing is we held on to education too

1 long. I mean, if you're going to look at this as a product
2 line of credentials, the labor market for teachers -- now
3 there's a bit of an uptick now and there's some teacher
4 shortages in certain areas but, quite frankly, it's a crazy
5 labor market.

6 REPRESENTATIVE DALEY: That it is. But we
7 appreciate what you're doing there. And keep up the good
8 work.

9 INTERIM CHANCELLOR KAREN WHITNEY: Thank you very
10 much.

11 REPRESENTATIVE DALEY: Thank you.

12 Thank you, Mr. Chairman.

13 MAJORITY CHAIRMAN SAYLOR: With that, I also want
14 to recognize that we've been joined by Representative Kerry
15 Benninghoff, who is the Republican Policy Chairman from
16 Centre County.

17 With that, we will move on to the next
18 questioner.

19 Representative Dean.

20 REPRESENTATIVE DEAN: Thank you, Mr. Chairman.

21 Welcome, Chancellor, and to the leaders and the
22 President and to Brian, a student leader.

23 My name is Madeleine Dean. Before I came to the
24 Pennsylvania House, I taught at LaSalle University for ten
25 years. Now as a teacher, as a mother, and I was a

1 grandmother, and now as an appropriator, I look at what we
2 do with education. It's utterly the most important thing we
3 do. How we educate our kids determines our future. We all
4 know that.

5 And so it's frustrating to see the struggle of
6 declining dollars from the State in terms of support over
7 the course of a couple of decades now.

8 INTERIM CHANCELLOR KAREN WHITNEY: Um-hmm.

9 REPRESENTATIVE DEAN: We saw a terrible spike.
10 But over the course of a couple decades, we sort of passed
11 the buck to you and to the students.

12 So, No. 1, I wanted to ask Brian -- if I missed
13 it, I apologize. I'm very impressed with you. What are you
14 studying and what do you hope to do?

15 BRIAN SWATT: I'm a junior of Political Science
16 and Economics major. I hope to be involved actually within
17 the legislative process in some capacity. I really love
18 public policy. There's just something that excites me about
19 it.

20 REPRESENTATIVE DEAN: We could use you on this
21 Committee.

22 BRIAN SWATT: Are there any job offers currently?

23 REPRESENTATIVE DEAN: See Miriam.

24 BRIAN SWATT: This is an interview.

25 REPRESENTATIVE DEAN: That's very exciting. And

1 it's just terrific to see young people claiming their
2 education.

3 I want to pivot to some of the challenges you
4 mentioned, Chancellor, that you face, whether it's poverty
5 and hunger, the opioid epidemic. And sadly we talked about
6 violence briefly on campus. But you face extraordinary
7 struggles on campuses with violence.

8 I happen to be a member of the Pennsylvania
9 Commission for Women. Governor Wolf embraced It's On Us.
10 So I'm thankful to the schools who have stepped up along
11 with the Governor and done more to educate kids.

12 I think I want to take the chance at this time,
13 following yet another slaughter of students, to speak to the
14 issue of gun violence. You must struggle daily with that.

15 So it occurred to me last week when somebody said
16 to me that, oh, yes, we have active shooter drills in our
17 school -- the madness of that phrase, the utter inhumanity
18 of that phrase -- we ask more of our children. We ask more
19 of our students than we do of gun owners when a 19-year-old
20 can come onto a high school campus and blow people away.

21 What are you faced with? What are the challenges
22 you have? I'd like both the student and the Administration
23 perspective.

24 INTERIM CHANCELLOR KAREN WHITNEY: I do want to
25 point out that we offer programs in the area of criminal

1 justice, criminality, violence, the general thing you hear
2 about. We have faculty that I know would want to be part of
3 a solution for this State.

4 Again, what are we for? We are teaching and
5 learning and we are about solving problems. So if we can be
6 of any service or support in providing solid policy
7 recommendations that can make a deference, please know that
8 we're available. We are all citizens of this State and we
9 have a stake in this.

10 I'm going to let them talk about -- maybe start
11 with Dr. Carter on what universities are doing and then for
12 Brian to comment on his experience.

13 Would that be all right?

14 REPRESENTATIVE DEAN: That would be super.

15 INTERIM CHANCELLOR KAREN WHITNEY: Okay.

16 PRESIDENT LAURIE CARTER: Well, campuses are
17 grappling with this issue, as is everyone in the country.
18 We're doing it in a balanced way. We respect the
19 constitutional right for folks to bear arms. We have to
20 balance that with how to have a campus climate where folks
21 feel comfortable and they're not living in fear.

22 And we do that through the training that I talked
23 about earlier. So training is a really important part of
24 learning how to be a good citizen in life. And so part of
25 what we do as a university is educate students about how to

1 be a responsible person both on campus and when they
2 graduate and go off into the world.

3 Educating them about what's going on in the world
4 is also an important part of that piece. On college
5 campuses very often it's easy for students to get caught up
6 in life on campus and not know what's going on in the world
7 around them.

8 So we're really working hard to make sure that
9 our students understand that knowing what's going on in the
10 world and how to balance that with their goals is important.
11 So education, training, allowing students to understand that
12 this is a time in their life where they are developing into
13 the person they want to be as a responsible citizen is all
14 part of the process for each and every one of us.

15 BRIAN SWATT: To touch on what Dr. Carter said,
16 in addition, I think what is also important is the support
17 resources available at the university through university
18 counseling that is available for students. And that's
19 completely free at IUP. I'm sure it is at other State
20 System universities as well.

21 But also, too, the programs and services that
22 alert students if there is anything of danger, in the event
23 that -- hopefully there isn't. But there's a lot of
24 structure set up in place to ensure student safety every
25 moment, every day at the university.

1 As a student, personally I do feel safe. I
2 haven't experienced anything. Hopefully I don't. But I do
3 feel very safe. I do think there's a safe environment on
4 campus.

5 REPRESENTATIVE DEAN: That's great to hear.

6 And what I want to say is that in addition to
7 additional funding, I think the burden is on us to make sure
8 we adequately fund you so you can provide that safety, that
9 level of education.

10 But also it's on us to legislatively figure out,
11 to solve the problem you're talking about. It would be
12 wonderful if we set up some policy hearings and hear from
13 experts, how can we solve this problem? There are
14 legislative things we could be doing and we could benefit
15 from the expertise of your faculty.

16 INTERIM CHANCELLOR KAREN WHITNEY: It would be an
17 honor. That's again why you have the State System. We
18 really have a lot of smart people working at these
19 universities that spend a lifetime in specialty areas that
20 can bring really solid evidence-based solutions when asked.

21 And we stand ready.

22 REPRESENTATIVE DEAN: Thanks for your passion for
23 your work.

24 INTERIM CHANCELLOR KAREN WHITNEY: Thank you.

25 MAJORITY CHAIRMAN SAYLOR: Very good.

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We'll move to Representative Kampf.

REPRESENTATIVE KAMPF: Thank you.

Good afternoon, Chancellor.

INTERIM CHANCELLOR KAREN WHITNEY: Good
afternoon.

REPRESENTATIVE KAMPF: Hi. This booklet that you
gave us is excellent. Thank you very much. There's a lot
of great information in it.

INTERIM CHANCELLOR KAREN WHITNEY: Thank you.

REPRESENTATIVE KAMPF: Including Chester County
where I come from has a -- I think we're second in terms of
alumni of the State System behind Allegheny County and
second in terms of current enrollees. So I don't know.
Pittsburgh is twice as big as us.

INTERIM CHANCELLOR KAREN WHITNEY: Right.

REPRESENTATIVE KAMPF: That's the difference.

So my question is about graduation rates.

INTERIM CHANCELLOR KAREN WHITNEY: Okay.

REPRESENTATIVE KAMPF: I see here from some notes
we've been given, we now measure graduation rates on
six-year cycles, which is, you know, a change from when I
was a kid. But how are we doing on graduation rates?

INTERIM CHANCELLOR KAREN WHITNEY: We look at
both four-year and six-year. And a lot of that is the
swirling. Students make a lot of choices these days on

1 stopping out. I never say drop out unless you've passed
2 away. You just stopped out, because we always want you to
3 come back.

4 I will tell you that our graduation rate exceeds
5 the national average. Our four-year graduation rate is 41
6 percent of our students graduate. And our six-year
7 graduation rate is 59 percent. The national average is
8 right there. Actually we're at -- it's 28 percent. So the
9 national average for four-year graduation is 28 percent.

10 REPRESENTATIVE KAMPF: Have we been kind of
11 steady on that?

12 INTERIM CHANCELLOR KAREN WHITNEY: We are at 41.
13 What?

14 REPRESENTATIVE KAMPF: Have we been steady on
15 that over the last few years? Is that going up?

16 INTERIM CHANCELLOR KAREN WHITNEY: I don't have
17 the trend information. This is for the most recent cohort
18 which would have been in 2012. I'd have to actually get the
19 chart to know the numbers.

20 REPRESENTATIVE KAMPF: Okay.

21 INTERIM CHANCELLOR KAREN WHITNEY: But the point
22 I'm making is on one hand if I just said 41 percent
23 graduation rate, oh, my God, that's terrible. But when the
24 national average is 28 percent, I think that puts it in a
25 better context. And knowing the six-year rate is 10 percent

1 higher than the national, that again shows -- while I think
2 there is much to work on.

3 I mean, nationally we have challenges, which
4 probably are very much the ones we have here in this State.
5 But our universities, our students are graduating at a
6 higher rate at our State System universities. That's the
7 message I want to give you.

8 REPRESENTATIVE KAMPF: Okay. And you talked a
9 good bit about retooling to the new economy.

10 INTERIM CHANCELLOR KAREN WHITNEY: Yes.

11 REPRESENTATIVE KAMPF: And you talked about
12 STEMH. So is a lot of that the new degrees? Is that in
13 healthcare and, in particular, is that, you know, nursing or
14 allied health?

15 INTERIM CHANCELLOR KAREN WHITNEY: Yeah. We've
16 had, for example, STEMH -- it is in the Science, Technology,
17 Engineering, Math, and Healthcare. But the largest jump has
18 been in health care.

19 REPRESENTATIVE KAMPF: Okay.

20 INTERIM CHANCELLOR KAREN WHITNEY: But quite
21 frankly, for example, several of our universities within the
22 last six years have introduced engineering programs of a
23 variety. They've introduced more in technology. Really
24 we're tracking and trying to actually get ahead of the
25 workforce needs of labor and industry for this state.

1 REPRESENTATIVE KAMPF: Yes. And I saw you had
2 this study. But if you could get me some statistics in
3 STEMH, what the breakdown is between Engineering and Math
4 versus Allied Health.

5 INTERIM CHANCELLOR KAREN WHITNEY: Sure.

6 REPRESENTATIVE KAMPF: That would be helpful.

7 INTERIM CHANCELLOR KAREN WHITNEY: We can
8 unbundle that, but it really tracks to the national -- I
9 mean, the statewide interest. But we can break that down
10 for you.

11 REPRESENTATIVE KAMPF: And I do have one more
12 question. I'm trying to get as much information for the
13 Committee as possible.

14 INTERIM CHANCELLOR KAREN WHITNEY: Sure.

15 REPRESENTATIVE KAMPF: Reserves, the universities
16 individually or the system, can you give us some data on
17 reserves, say, this year and then actually looking back over
18 time?

19 INTERIM CHANCELLOR KAREN WHITNEY: Yes, we can.

20 REPRESENTATIVE KAMPF: Do you have any that you
21 could tell me about right now?

22 INTERIM CHANCELLOR KAREN WHITNEY: This is my
23 lifeline.

24 REPRESENTATIVE KAMPF: I know. That's okay.

25 VICE CHANCELLOR LOIS JOHNSON: Reserves are a

1 complicated issue. Really we all have negative reserves due
2 to our long-term liabilities that we all have to carry on
3 our books associated with pensions, health care for
4 retirees, etc., but we can provide you more information
5 about our reserves. We'll provide them after the meeting.

6 REPRESENTATIVE KAMPF: Okay. I mean, of course,
7 school systems have -- and everything else but they also
8 book reserves. Do you have any reserves?

9 INTERIM CHANCELLOR KAREN WHITNEY: Oh, yeah.

10 REPRESENTATIVE KAMPF: Could you tell me what
11 they are, give me some order of magnitude while we're here?

12 INTERIM CHANCELLOR KAREN WHITNEY: It varies by
13 university. We do financial statements for each one of our
14 universities, so it does vary by university.

15 REPRESENTATIVE KAMPF: Okay.

16 INTERIM CHANCELLOR KAREN WHITNEY: We do look at
17 it in various different methods. But in general, the system
18 does have -- when you set aside those long-term liabilities,
19 there are some limited resources available that can be used
20 in the short term to help meet our ongoing obligations for a
21 one-time kind of expenditure.

22 REPRESENTATIVE KAMPF: If you would submit, say,
23 going back eight years' reserves to the Chairmen, if that's
24 okay with the Chairmen. Can I ask that?

25 INTERIM CHANCELLOR KAREN WHITNEY: We'd be happy

1 to.

2 REPRESENTATIVE KAMPF: Thank you.

3 MAJORITY CHAIRMAN SAYLOR: Representative
4 Schweyer.

5 REPRESENTATIVE SCHWEYER: Thank you, Mr.
6 Chairman.

7 Over here, folks. Good afternoon.

8 I wanted to revisit something that we sort of
9 started our conversation with but put it in a slightly
10 different perspective, and that is the percentage of PASSHE
11 schools that are students of color or other minority status.

12 A question that I had asked at a previous budget
13 hearing last year -- and I believe I asked the same question
14 two years ago and, to be perfectly candid, I don't think I
15 ever received an answer from PASSHE -- is a question of your
16 recruitment efforts and your efforts to attract students
17 from more disadvantaged School Districts.

18 The reason why I ask that question, I represent
19 one School District. Unlike my colleagues that have
20 multiple, I have one. I represent the Allentown School
21 District. 90 percent of my students in my school district
22 are children of color. Of the 10 percent or other, two are
23 my kids. But the remainder of them are, in fact, kids of
24 color, predominantly Latino and Hispanic.

25 Yet my Legislative District, which represents

1 about 75 percent of the Allentown School District, I have
2 218 students that are currently enrolled in one of your
3 schools. I have the third largest school district in the
4 Commonwealth of Pennsylvania, third or fourth, depending on
5 enrollment, at any given point in time. 90 percent of my
6 students are kids of color and yet I have 200 kids, 200
7 students that are enrolled in your school. I don't know how
8 many of them are, in fact, returning students.

9 So for the third straight year I'm going to ask
10 the State System again, what are your efforts and what are
11 your recruitment tactics for school districts that have a
12 higher proportion of either disadvantaged students or
13 students of color?

14 INTERIM CHANCELLOR KAREN WHITNEY: First of all,
15 I apologize for not following up.

16 REPRESENTATIVE SCHWEYER: You weren't here.

17 INTERIM CHANCELLOR KAREN WHITNEY: That's okay.
18 I'm responsible for everything. Third time is the charm.
19 So we'll get you the data.

20 I'm going to pass this off to Dr. Carter. But I
21 just want to reiterate, we are the State's University and we
22 have an obligation to work with all of the citizens of this
23 State. I can't tell you how strongly I feel about that.
24 That's why I can tell you 24 percent of our students are
25 first-generation students. And that ranges anywhere from 18

1 percent at West Chester to 31 percent at Cheyney. So, I
2 mean, that's first-generation students.

3 We've got 34 percent of our students who are
4 degree seeking or Pell recipients. That's usually a proxy
5 of socioeconomic status of the family. So that's 34
6 percent.

7 Again, I mentioned earlier 21 percent of our
8 students in the fall of '17 are students who are minorities.
9 And that has continued to increase. We've had a 56 percent
10 increase in minority student enrollments over the last ten
11 years.

12 So evidently we're not spending enough time at
13 your school district and you've got about 12 Presidents here
14 that just heard that. So they will be over there tomorrow.
15 Okay. And, No. 2, though, it is who we are. And, yes, we
16 have to do a better job. I'm going to hand it off to the
17 President to talk about.

18 I think your question wasn't just about testing
19 our commitment. It was about what are we doing to ensure
20 that as we recruit we do a good job.

21 REPRESENTATIVE SCHWEYER: That's correct.

22 INTERIM CHANCELLOR KAREN WHITNEY: Okay.

23 REPRESENTATIVE SCHWEYER: Thank you.

24 PRESIDENT LAURIE CARTER: So I want to start by
25 saying that the recruitment of students from

1 underrepresented communities is different than the
2 recruitment for majority students. Each of us are looking
3 at how we're recruiting students.

4 So when you're talking about African-American and
5 Latino students in particular, you're talking about a higher
6 population of low-income students, higher population of
7 first-gen students. That recruitment effort requires not
8 just recruitment of students but recruitment of families and
9 recruitment of communities.

10 And so we're really looking at how to reach those
11 communities in a way that can be more meaningful so they
12 understand that higher education has a benefit that is a
13 long-term benefit, not a short-term benefit, that we're not
14 trying to take their child away from the family, that the
15 child can return back home.

16 There are a lot of variables that come into play
17 with those particular populations that require much more
18 time and attention. And we're looking at those issues and
19 how best to serve those populations.

20 So when you look at our campuses, you will look
21 at programs that are specific to the needs of those
22 communities because those students need to come to our
23 campus and feel as though they're comfortable, feel as
24 though they have a place of their own.

25 And so building a place for those populations is

1 not as simple as saying, come to Ship. You have to prepare
2 the community. You have to train the community on how to
3 deal with the population so that the students feel welcomed
4 and well-received, that families feel that their student is
5 safe there, and that culturally they'll be respected and
6 honored.

7 We're doing that work. We're not doing it
8 perhaps as quickly as we should. But we're certainly
9 changing the way we're looking at reviewing those
10 communities and approaching them. This is a very important
11 segment of the population for us because we are leaving them
12 behind. And that's not fair.

13 REPRESENTATIVE SCHWEYER: It's also your growth
14 market.

15 PRESIDENT LAURIE CARTER: That's right.

16 REPRESENTATIVE SCHWEYER: I mean, the future
17 generation of your college students are the younger kids
18 that we have in our communities and are, in fact, kids of
19 color.

20 PRESIDENT LAURIE CARTER: Right.

21 REPRESENTATIVE SCHWEYER: So not only is it just
22 morally wrong, it's also really stupid business. And so I
23 appreciate your efforts.

24 And, Mr. Chairman, just one second. I'm going to
25 finish up my comment now. I appreciate you saying it's

1 taking a while. But every month, every year that it's
2 taking us to build a better infrastructure to recruit folks,
3 you're leaving another generation of kids behind that are
4 making, as we learned, \$7.25 an hour, minimum wage.

5 INTERIM CHANCELLOR KAREN WHITNEY: I could not
6 agree more.

7 REPRESENTATIVE SCHWEYER: It's not good enough.
8 Thank you.

9 INTERIM CHANCELLOR KAREN WHITNEY:
10 Representative, late breaking news. Kutztown University
11 received a \$1.2 million Upward Bound Grant for Allentown,
12 plus they're investing \$500,000 of their own money. So you
13 will be seeing --

14 REPRESENTATIVE SCHWEYER: I'm pretty good at this
15 job. Thank you very much.

16 INTERIM CHANCELLOR KAREN WHITNEY: There you go.

17 REPRESENTATIVE SCHWEYER: Thank you very much.

18 MAJORITY CHAIRMAN SAYLOR: Representative Quinn.

19 REPRESENTATIVE QUINN: Thank you.

20 Thank you very much, Chancellor. It is obvious
21 that you've got a passion for PASSHE and you're sharing that
22 with us.

23 INTERIM CHANCELLOR KAREN WHITNEY: Yes.

24 REPRESENTATIVE QUINN: Before I go into my
25 questions, I do have to commend the system for your recent

1 hire of Dr. Bashar Hanna from right in my district. We miss
2 him but we understand that he's serving the greater good
3 there at Bloom.

4 INTERIM CHANCELLOR KAREN WHITNEY: Thank you.

5 REPRESENTATIVE QUINN: So I believe I'm going to
6 do speed round -- not quite like my previous colleague here,
7 but -- we've got to get him on speed dating, huh?

8 I think you answered this question. My concern,
9 as much as I applaud STEM and STEMH curriculums, I do have
10 concerns in marrying the trend that will be declining in
11 enrollment in those majors to collective bargaining
12 agreements.

13 And I'm happy to hear that, you know, if we're
14 looking down the road a few years and we've got a half-dozen
15 kids in a class where you still have tenured faculty that
16 you can't -- you know, that you have onboard and by virtue
17 of their contracts, they're not going anywhere, where the
18 push is, the jobs are the encouragement for this STEM and
19 STEMH. I'm happy to hear that you are looking ahead to how
20 you balance that with regard to -- you said early buyouts or
21 different things.

22 INTERIM CHANCELLOR KAREN WHITNEY: Yes.

23 REPRESENTATIVE QUINN: Thank you in advance for
24 giving us tools just to help you better manage that so we
25 don't have empty classrooms, empty on-line courses, and an

1 abundance somewhere else, yet still have faculty.

2 I don't know if there's a composite there of
3 redirecting faculty, if that could be starting now, to
4 redirecting into some of those others. Is that not
5 something that's ongoing?

6 INTERIM CHANCELLOR KAREN WHITNEY: Well, what the
7 system review report suggests that we're trying to get our
8 arms around now is how to leverage as a system. You know,
9 let's say if you have one university that has an abundance
10 of faculty in a certain discipline more than they have
11 students for, okay, because of these quick shifts in demands
12 and interest, and then you have another university that has
13 a need -- well, I'm calling it the academic marketplace.
14 How do we create an academic marketplace? I can tell you
15 right now, faculty don't want to teach to an empty room.
16 Let's be really clear from a credibility and engagement
17 standpoint, they want classes filled with students.

18 So what we have to try to do is use technology
19 via distance or other innovations to leverage what the
20 current faculty have to maximize that valuable resource.

21 REPRESENTATIVE QUINN: I understand that. I
22 respect that. My concern is, assuming each major would be a
23 product, that some of those products will be more obsolete
24 than others in terms of an academic major.

25 INTERIM CHANCELLOR KAREN WHITNEY: Absolutely.

1 What we did actually in the time I've been with the system
2 in our last eight years, we have probably, to a factor of
3 four or five, removed more programs than added. We're
4 focusing. We're going from --

5 REPRESENTATIVE QUINN: What does that do to the
6 faculty who is in there?

7 INTERIM CHANCELLOR KAREN WHITNEY: Well, that's
8 why you see a lot of conflict.

9 REPRESENTATIVE QUINN: Okay. So you're looking
10 to address that. I'll move to my next question.

11 INTERIM CHANCELLOR KAREN WHITNEY: Yes, ma'am.

12 REPRESENTATIVE QUINN: It was just something that
13 naturally --

14 INTERIM CHANCELLOR KAREN WHITNEY: Absolutely.

15 REPRESENTATIVE QUINN: I was thinking it --

16 INTERIM CHANCELLOR KAREN WHITNEY: Very good.

17 REPRESENTATIVE QUINN: I was checking out your IT
18 and everything that's being done here. Where I see an
19 absence -- and you just tell me if I'm looking incorrectly
20 -- cyber security. I mean, every one of your universities
21 has -- I'm sure is at risk. And it could be at risk by one
22 of these bright kids sitting in one of the classes. But
23 there's bad guys out there. There's bad gals out there.
24 They're out to get our information. Where am I missing or
25 is there an investment somewhere in here, university

1 specific or systemwide or what?

2 INTERIM CHANCELLOR KAREN WHITNEY: We address our
3 IT security at a system level. We work with vendors and
4 contract out, particularly the high-end specialty, or we do
5 it collectively. And it's done at the system level.

6 REPRESENTATIVE QUINN: Are you pleased with the
7 level of investment that you're giving for your cyber
8 security efforts?

9 INTERIM CHANCELLOR KAREN WHITNEY: Is anybody
10 pleased? It's something we have held to investments in.
11 And we are using industry best practices. I don't think
12 anybody can feel secure.

13 REPRESENTATIVE QUINN: I don't -- being pleased
14 with the investment and feeling secure are two different
15 things. I don't think we can ever feel secure there.

16 Okay. I'm going to go to the last question since
17 I still have green. I've asked this in previous years,
18 though I wouldn't expect you to be aware of it. As I look
19 at your complement, your head count of the full-time
20 employees, I see that approximately 65 percent of those are
21 enrolled in your systems health care plan versus the other
22 ones that you mentioned here.

23 In previous Budget hearings I've asked about the
24 process of a dependent benefit audit. We've had one
25 recently done here through the Bipartisan Management

1 Committee. There have been counties in Pennsylvania, states
2 throughout the nation, who have done a systematic audit just
3 to ensure that those people receiving the benefits are
4 actually entitled.

5 And what we find so often is the innocent mistake
6 of somebody divorced, you forget, someone had a sudden
7 death, you forget to take them off. And those dollars can
8 add up, especially when you look at the increase that you
9 have the next year.

10 Have you undertaken that and, if not, can you
11 commit to do so?

12 INTERIM CHANCELLOR KAREN WHITNEY: Yes, we
13 undertake those periodically to ensure, as you were saying,
14 the situation. Yes, we do. And in terms of your notation
15 of the employees, it's by bargaining group.

16 REPRESENTATIVE QUINN: Is it?

17 INTERIM CHANCELLOR KAREN WHITNEY: Yes.

18 REPRESENTATIVE QUINN: Okay. That does make me
19 feel better, that the audit is being done, bargaining group
20 or not. I'm happy.

21 Is it done systemwide or from a school or
22 bargaining group?

23 VICE CHANCELLOR LOIS JOHNSON: So it's two
24 different questions. First of all, the health care program
25 that our employees are in is dependant upon what bargaining

1 unit they are in. So are the Commonwealth's health care
2 programs. And depending on their bargaining unit, others
3 belong to the system's health care programs.

4 For the system's health care programs, we
5 routinely audit employees and their dependents that are part
6 of those programs to make sure that it's only those that are
7 allowable that are being supported by our health care
8 programs.

9 REPRESENTATIVE QUINN: Thank you.

10 And I will add I've seen some audits that are
11 very soft and others actually have you sign an affidavit.
12 The soft ones are really soft.

13 VICE CHANCELLOR LOIS JOHNSON: Ours have to sign
14 an affidavit. I've certainly done that for my children.

15 INTERIM CHANCELLOR KAREN WHITNEY: Do not accuse
16 us of being soft. We are not soft. I get it.

17 REPRESENTATIVE QUINN: Thank you.

18 MAJORITY CHAIRMAN SAYLOR: Representative Keller.

19 REPRESENTATIVE KELLER: Thank you, Mr. Chairman.

20 Thank you, Madam Chancellor. Just a couple
21 questions. The report from the National Center for Higher
22 Education Management Systems, I know it's referenced a
23 couple times, I believe, in the information you gave us.
24 Did they give us a series of I'll say outcomes or actionable
25 items for us to work on to try and improve enrollment,

1 administration, those kind of things?

2 INTERIM CHANCELLOR KAREN WHITNEY: They
3 summarized their findings into nine recommendations, most of
4 which are at the policy level and give it direction. But in
5 terms of saying, by this date, you should achieve this
6 number, no.

7 REPRESENTATIVE KELLER: Okay. Have we done
8 anything with that to create a list of items that we want to
9 get done by a certain time with measurable results?

10 INTERIM CHANCELLOR KAREN WHITNEY: We are in that
11 process. For example, again, the opportunity with this kind
12 of report was to have a tremendous amount of stakeholder
13 discussion after the July Board meeting. And that took us
14 to August and September. In October the Board established
15 the three priorities I've mentioned that have united the 14
16 universities.

17 REPRESENTATIVE KELLER: Those priorities, do they
18 have -- and again, what I'm getting to is we probably spent
19 a lot of money for this audit. I just want to make sure
20 that we spent the money and we're going to put it to useful
21 work and improving either the education -- I think that
22 would probably be one thing we do -- but also the cost for
23 our students. I don't want to get hung up on that. But I
24 guess the answer to that would be, yes, they gave you some
25 things, you've looked at it, and you're working on that.

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INTERIM CHANCELLOR KAREN WHITNEY: Yes, sir.

That's correct.

REPRESENTATIVE KELLER: When do you expect to have that ready?

INTERIM CHANCELLOR KAREN WHITNEY: Well, what we're doing is trying -- one of the biggest criticisms we had to work on is being accused of being overly bureaucratic and very rigid. And so instead of telling you that in two years we'll be completely fixed, what we've done is we've created a more dynamic environment where we have task groups. We have nine right now. For example, one of them is on defining student success.

REPRESENTATIVE KELLER: Okay.

INTERIM CHANCELLOR KAREN WHITNEY: That gets to matrix.

REPRESENTATIVE KELLER: So we have -- I'm going to try to keep moving because I have a couple other questions. The answer is, you have looked at some things, you're looking at how you can set some milestones to reach?

INTERIM CHANCELLOR KAREN WHITNEY: Yes, sir.

REPRESENTATIVE KELLER: Okay.

INTERIM CHANCELLOR KAREN WHITNEY: Correct.

REPRESENTATIVE KELLER: The first milestone that you're able to meet?

INTERIM CHANCELLOR KAREN WHITNEY: Student

1 success, defining it clearly in a way that all 14
2 universities commit to and in a way that we can come back
3 and regularly explain to a body such as yours on how we're
4 doing and what we're doing.

5 REPRESENTATIVE KELLER: Okay. So it's one that
6 we're going to define ourselves as far as what student
7 success is, that we're all going to agree on?

8 INTERIM CHANCELLOR KAREN WHITNEY: It's informed
9 by data and best practices throughout higher education. But
10 we're going to take charge of it.

11 REPRESENTATIVE KELLER: Okay.

12 INTERIM CHANCELLOR KAREN WHITNEY: I just ask for
13 it to be something where when you read it, you get it and it
14 makes sense.

15 REPRESENTATIVE KELLER: Okay. And we'll be able
16 to start measuring that later this year?

17 INTERIM CHANCELLOR KAREN WHITNEY: Yes, sir.

18 REPRESENTATIVE KELLER: Okay. Thank you.

19 INTERIM CHANCELLOR KAREN WHITNEY: Yes, sir.

20 REPRESENTATIVE KELLER: The same report also
21 mentions the income level of many of the first-year students
22 coming into the Pennsylvania State system. And it mentions
23 that there's roughly 30 percent, almost a third, that are
24 households that earn less than \$48,000 a year. And I know
25 there's been a lot of debate about affordability for

1 education. And it should be a concern for everybody.

2 And I know when we look at what happens with our
3 appropriation for this year, your request was for a 16
4 percent increase over last year and the Governor's is for
5 3.3 percent.

6 Are you aware of what the published rate of
7 inflation and the CPI was for Philadelphia, Wilmington, and
8 Atlantic City by the Bureau of Labor statistics as most
9 recently reported in January of this year?

10 INTERIM CHANCELLOR KAREN WHITNEY: About 2
11 percent, a little over 2 percent.

12 REPRESENTATIVE KELLER: .8.

13 INTERIM CHANCELLOR KAREN WHITNEY: .8?

14 REPRESENTATIVE KELLER: .8.

15 INTERIM CHANCELLOR KAREN WHITNEY: Oh, well. I
16 stand corrected.

17 REPRESENTATIVE KELLER: Yeah. So I think our
18 families are going to struggle with that kind of -- I mean,
19 even with what the Governor is asking for is almost four
20 times that.

21 INTERIM CHANCELLOR KAREN WHITNEY: Um-hmm.

22 REPRESENTATIVE KELLER: So that's the importance
23 that I see of us measuring outcomes and sort of trying to
24 keep things in light. Because I heard a lot of things here
25 about percentages, okay. Pennsylvania, our appropriation is

1 only this percent, but when our costs are escalating at four
2 times the rate of inflation and we're asking for four times
3 the rate of inflation, we can actually be giving more
4 dollars in some cases and it not be as big of a percent.

5 And I think we need to be mindful of that because
6 our customers, one-third of them, are in households that
7 earn less than \$48,000 a year. So I guess I would hope that
8 some of the things we're looking at are ways to more
9 efficiently deliver a quality education and reduce some of
10 the costs.

11 Would that be -- is there some things you're
12 working on there?

13 INTERIM CHANCELLOR KAREN WHITNEY: There is a
14 continuous improvement approach in higher ed and efficiency
15 is one of them. What I will point out, though, is my
16 earlier comment around a broken approach to labor contracts,
17 the negotiating and committing to contracts and then their
18 funding. And it predates me. It predates all of us in this
19 room. It's a history of the State.

20 And until we actually get our arms around the
21 idea of that as a broken situation -- because the Presidents
22 don't set these labor contracts.

23 REPRESENTATIVE KELLER: Okay. Let me ask this
24 question: Do our labor contracts include performance or is
25 there tenure in our labor contracts?

1 INTERIM CHANCELLOR KAREN WHITNEY: There is --
2 actually, higher education has a very sophisticated and deep
3 approach to ensure quality. And I mean --

4 REPRESENTATIVE KELLER: But is there tenure in
5 the contract?

6 INTERIM CHANCELLOR KAREN WHITNEY: The negotiated
7 contract?

8 REPRESENTATIVE KELLER: Yes.

9 INTERIM CHANCELLOR KAREN WHITNEY: Yeah.

10 REPRESENTATIVE KELLER: There is.

11 INTERIM CHANCELLOR KAREN WHITNEY: I'd have to go
12 back. There are -- there's a lot of language on ensuring
13 quality of instruction and the matriculation of our faculty
14 through the years. Yes, there's a tremendous amount of --

15 REPRESENTATIVE KELLER: I would think we would
16 want to focus on performance rather than somebody just being
17 there longer.

18 Thank you.

19 INTERIM CHANCELLOR KAREN WHITNEY: Thank you.

20 MAJORITY CHAIRMAN SAYLOR: Very good.

21 With that we go to Representative Heffley.

22 REPRESENTATIVE HEFFLEY: Thank you, Mr. Chairman.
23 Thank you, Chancellor, for your testimony today.

24 INTERIM CHANCELLOR KAREN WHITNEY: Sure.

25 REPRESENTATIVE HEFFLEY: One of the things, one

1 of the comments that I heard earlier -- and I guess it did
2 just kind of bug me -- you had mentioned about things that
3 you compete with. And one of them you had said about
4 undereducated folks.

5 I don't think everybody has to go to a college or
6 get a four-year degree. I mean, we've heard a lot of
7 testimony yesterday on the need for craftsmen and for
8 laborers and for machinists.

9 I mean, I know kids that come right out of high
10 school with a four-year degree out of a local tech school
11 and are making over 40 grand a year. And I know kids that
12 came out of a four-year State school and couldn't find a
13 job. Not to say that that's everybody.

14 But I think each dynamic -- and I don't
15 necessarily say that if you have a degree, it means you're
16 overeducated, undereducated. I think folks have their own
17 talents and their own skills.

18 That was just something that I wanted to bring to
19 your attention. I would never look at people just because
20 they don't have a four-year degree as undereducated. They
21 choose to live how they want to live.

22 INTERIM CHANCELLOR KAREN WHITNEY: There's a --
23 if I could.

24 REPRESENTATIVE HEFFLEY: Sure.

25 INTERIM CHANCELLOR KAREN WHITNEY: I appreciate

1 the correction. Because my view is, everyone should have a
2 postsecondary credential. It could be a certificate, an
3 Associate's, a Bachelors's. But, I mean, if you think about
4 what life will throw at you throughout your lifetime, I
5 don't believe a high school degree is sufficient. And
6 that's what I meant by undereducated.

7 I mean, we've got -- by 2026 we're going to have
8 a 1.2 million demand for skilled jobs in this State. So I
9 appreciate that you gave me an opportunity to clarify myself
10 because I meant postsecondary learning of all kinds.

11 REPRESENTATIVE HEFFLEY: And I would still go
12 back that I think that apprenticeship programs and stuff
13 like that are great, too.

14 But just to go on a little bit, I do want to --
15 my daughter is a senior at Bloomsburg University. She does
16 on-line courses. And she did dual enrollment with the
17 community college. And I think this is a wonderful program.
18 And she actually -- and my youngest daughter is now taking
19 courses, dual enrollment through the high school with the
20 community college.

21 And I look at the declining enrollment and I'm
22 wondering -- because we see more and more students taking
23 these college courses through the community colleges while
24 they're in high school. It's a significant cost savings for
25 anybody that's out there watching. You definitely want to

1 explore that opportunity.

2 And then also with the enrollment that she has
3 through the community college where she takes classes at the
4 community college and then on-line courses and it really
5 fits her schedule because she works full time and she's a
6 senior and she's doing very well.

7 So I would like to see continuing to -- I see
8 education really evolving to the point where I think the
9 majority of it is going to be online. And I think you're
10 going to have to continue that education because a four-year
11 degree now -- heck, by the time you start a four-year -- if
12 you're going for a four-year degree right now on iPhones, by
13 the time that four years is up, the iPhones are probably
14 going to be eliminated and there will be something else.

15 So technology and everything is changing so fast.

16 INTERIM CHANCELLOR KAREN WHITNEY: Yes.

17 REPRESENTATIVE HEFFLEY: I would say there's good
18 jobs on the online learning and the dual enrollment programs
19 working with the community colleges. I see that as a great
20 opportunity for a lot of young people to get a good quality
21 education at a much more reasonable rate and I think folks
22 that are coming out and looking to go to schools and looking
23 to how they can do it and save money to be exploring those
24 opportunities.

25 Thank you.

1 INTERIM CHANCELLOR KAREN WHITNEY: We have to
2 meet the students where they are and how they need. I
3 appreciate the examples you've given.

4 REPRESENTATIVE HEFFLEY: Sure.

5 INTERIM CHANCELLOR KAREN WHITNEY: More and more
6 of our students -- at Clarion, 22 percent of the students
7 are getting their complete degree online. So we've got
8 leaders on that in Clarion and CAL, our online learning.
9 And you're going to see more of it because we're meeting
10 where Pennsylvania wants us to be.

11 So I appreciate the examples that you've given.

12 Thank you.

13 REPRESENTATIVE HEFFLEY: Thank you.

14 MAJORITY CHAIRMAN SAYLOR: Very good.

15 We have Representative James who would like to
16 have one more question. I'm going to recognize him for
17 that. And then we'll move to Chairman Markosek and myself.

18 REPRESENTATIVE JAMES: Well, thank you but she
19 just answered the question that Doyle asked, which was the
20 one I was going to ask.

21 Thank you so much to the entire panel for your
22 testimony today. It's been truly enlightening and you had
23 answers for everything.

24 It's great. Thanks.

25 MAJORITY CHAIRMAN SAYLOR: Representative

1 Markosek.

2 MINORITY CHAIRMAN MARKOSEK: Thank you, Mr.
3 Chairman.

4 I thank the panel.

5 Dr. Whitney, if you could bottle that enthusiasm
6 and sell it, you'd make a fortune. And I think it's rubbed
7 off on the others here today. It's been great. You've
8 really, I think, handled yourself very well here today.

9 INTERIM CHANCELLOR KAREN WHITNEY: Thank you.

10 MINORITY CHAIRMAN MARKOSEK: You know, I did not
11 attend a PASSHE school nor did anybody in my immediate
12 family attend a PASSHE school. But I would be remiss -- and
13 I know my colleague who is a graduate of IUP, fellow
14 Chairman, would also be very happy to hear -- and I see
15 Dr. Driscoll here today -- that I got a call about four or
16 five years ago that said, Joe, you've been selected as a
17 legislative fellow for the IUP University. And I'm not sure
18 what I did legislatively to deserve that. I certainly am a
19 fellow. I got that part right.

20 INTERIM CHANCELLOR KAREN WHITNEY: Right.

21 MINORITY CHAIRMAN MARKOSEK: Anyway, you know, I
22 still remember that. You know, that's my big claim to fame
23 as far as the PASSHE system other than sitting through
24 endless hearings over the last number of years in my career.

25 You all do such a great job. You're such a huge

1 asset for our Commonwealth. And I think, you know, we need
2 to make sure and ensure that you survive and you survive
3 very enthusiastically with our Commonwealth because you're
4 such an important part of the fabric and the economy, not
5 just the educational benefits that we all get.

6 INTERIM CHANCELLOR KAREN WHITNEY: Thank you.

7 MINORITY CHAIRMAN MARKOSEK: But you're a big
8 part of our economy as well with all of your various
9 locations. I want to say keep up the good work.

10 I will do -- and I'm sure most all of the members
11 here on both sides of the aisle will do what we can to
12 ensure that you have the resources to do the very good job
13 in educating our constituents here in Pennsylvania. So I
14 want to thank you for that.

15 INTERIM CHANCELLOR KAREN WHITNEY: Thank you,
16 sir. I appreciate that.

17 MINORITY CHAIRMAN MARKOSEK: Sure.

18 MAJORITY CHAIRMAN SAYLOR: Chancellor, thank you.
19 I think you should reconsider your retirement. I'm a big
20 fan. As you know, I had the chance to interact with you
21 back when you were president of Clarion and now. I'm very
22 proud of the things you've been doing.

23 INTERIM CHANCELLOR KAREN WHITNEY: Thank you.

24 MAJORITY CHAIRMAN SAYLOR: To Brian, I would say
25 to you, I was very proud of being at IUP. I was on Student

1 Government and President of Circle K there. I actually got
2 elected by the universities in the western part of the State
3 in college to head up the western part of the state in
4 Circle K.

5 But what I will tell you is IUP gave me those
6 opportunities. And that's probably why I'm where I'm at
7 today. I was a poor kid. I grew up in a farm family.
8 First generation to ever go to college. So most of my
9 college was paid through loans and some grants from PHEAA,
10 which were very much appreciated. And I paid my loans back.

11 INTERIM CHANCELLOR KAREN WHITNEY: Thank you.

12 MAJORITY CHAIRMAN SAYLOR: But I will tell you,
13 Brian, we have a Majority Leader from Indiana County who
14 went to IUP. We had the Chief Clerk of the House who was
15 from IUP. So when you're ready to talk jobs, come see me
16 because we'll see what we can do. We are very proud.

17 BRIAN SWATT: Thank you.

18 MAJORITY CHAIRMAN SAYLOR: There are a lot of
19 members -- I should say not just members, but there are a
20 lot of staff here at the Capitol who are graduates from IUP.
21 So come see me.

22 BRIAN SWATT: Thank you.

23 MAJORITY CHAIRMAN SAYLOR: But I will say, you
24 know, when I was at IUP -- and, Chancellor, you talked about
25 the labor contract. I want to talk about that for a little

1 bit. Not to pick on APSCUF or to pick on the Governor or
2 anybody else, but when I was there, professors were required
3 to teach for 16 hours and 8 hours in the office. So
4 students had the ability to do that.

5 And I think we heard some of the colleagues talk
6 about the cost of education. And it's not probably just
7 with PASSHE. It's all of our universities. The studies are
8 shown nationally. The cost of higher ed has risen way above
9 the rate of inflation.

10 We can't continue that and expect that low-income
11 families can afford it. There is never going to be enough
12 money to do the things we need to do if we don't keep
13 salaries in line with the rate of inflation and what the guy
14 and woman who's sending their child to school are making as
15 well.

16 I think being a college professor is a very
17 honorable profession. In fact, I'm not sure if he's
18 retired, but one of my best friends from IUP who went to
19 school with me taught at Shippensburg. I'm not sure. I
20 won't mention his name. I won't put him on the spot.

21 INTERIM CHANCELLOR KAREN WHITNEY: Okay.

22 MAJORITY CHAIRMAN SAYLOR: But it just comes down
23 to the fact that I think those are things that the Governor,
24 every Governor, has to take into consideration. And I think
25 APSCUF has to look at changes that need to be made. Because

1 truly when you're involved in education, you truly are there
2 because you care about kids and children and the quality of
3 our future generations.

4 INTERIM CHANCELLOR KAREN WHITNEY: Yes.

5 MAJORITY CHAIRMAN SAYLOR: You also have to take
6 into consideration what you're doing there as well. You
7 can't just be selfish. You can't just be there because it
8 pays very well and better benefits than anybody else has.

9 And I say that as a member of the House who has
10 better benefits than most people in the Commonwealth have as
11 well. So I would just say to the future Governors and this
12 Governor, when the next contract comes up and to APSCUF to
13 really take that into consideration, why are they college
14 professors? Is it because they care about our children or
15 is it because it's about the pay and the benefits?

16 We have some great professors in our system.
17 Absolutely no doubt about that.

18 INTERIM CHANCELLOR KAREN WHITNEY: Right.

19 MAJORITY CHAIRMAN SAYLOR: I know when I was at
20 IUP it was fantastic. One of Henry Kissinger's associates
21 was a professor there. So we were very blessed. He taught
22 a Political Science class.

23 So with that, I'll just close in saying that I
24 want to thank everybody for coming here today. I did tell
25 President Driscoll we will be having an Appropriations

1 meeting at IUP. We haven't scheduled that yet. Chairman
2 Markosek is hearing it for the first time. But we're going
3 to do that.

4 And maybe, Brian, you can come out before the
5 Appropriations Committee again.

6 But I thank you very much. And a priority I
7 think of every member, both sides of the aisle here, is
8 education. The real concern in today's world is -- I ask
9 people of Brian's generation -- what do you want the future
10 to look like? And how much do you want taken from your pay?

11 Because I get a lot of complaints from college
12 students about how much they pay in taxes on their part-time
13 jobs. So it is something that at least we have to take into
14 consideration here as elected officials sometimes is how
15 high do you raise taxes to pay for all the demands that we
16 have today? And it's a difficult decision, as you all well
17 know.

18 Again, thank you very much. I appreciate your
19 time, Chancellor. And again, if I don't get a chance to see
20 you before you do retire, I wish you all the best.

21 INTERIM CHANCELLOR KAREN WHITNEY: Thank you.

22 MAJORITY CHAIRMAN SAYLOR: Like I said, I'd love
23 to see you recommit yourself to being Chancellor again.
24 That would be the smartest thing this Board of Trustees did.

25 INTERIM CHANCELLOR KAREN WHITNEY: Thank you.

1 MAJORITY CHAIRMAN SAYLOR: But also, I guess in
2 closing, I didn't want to forget to mention that I really
3 hope the Board of Trustees has the courage -- and it's going
4 to take courage to deal with Cheyney and Mansfield --
5 because if we don't deal with those two universities what
6 needs to be fixed, we will have other universities in the
7 same situation.

8 I know there's some other ones in the system that
9 are struggling at this time as well. And I'm a real
10 believer in PASSHE. But if we fail to deal with those two
11 situations, I can see where West Chester or IUP or whatever
12 becomes private universities. And we have a demand here
13 because some people say, why give PASSHE any more money?
14 Put it into PHEAA.

15 There's a lot of competition for education
16 dollars today. That's what I think our APSCUF, I think the
17 college Presidents and the Board of Trustees have to
18 understand when it comes to higher ed. It's not just
19 PASSHE. It's PHEAA, the private universities, our community
20 colleges, and our trade schools in the State who are
21 postsecondary education.

22 The demand for education dollars is tremendous.
23 I'm a real believer in education as the former Chairman of
24 the House Education Committee. But we have to find a way to
25 make all that successful.

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So thank you.

Brian, thank you for the courage to come before us. And, President Carter, you've been rather quiet but I'm glad at least you got a chance to talk a little bit.

Thank you very much, all of you.

INTERIM CHANCELLOR KAREN WHITNEY: Thank you, Chairman.

MAJORITY CHAIRMAN SAYLOR: This hearing is adjourned.

(Whereupon, the hearing adjourned.)

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I hereby certify that the proceedings and
evidence 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.

Jean M. Davis
Notary Public