

COMMONWEALTH OF PENNSYLVANIA  
HOUSE OF REPRESENTATIVES

APPROPRIATIONS COMMITTEE

joint with the

EDUCATION COMMITTEE  
PUBLIC HEARING

STATE CAPITOL  
HARRISBURG, PA

MAIN CAPITOL BUILDING  
ROOM 140

TUESDAY, FEBRUARY 9, 2021  
1:07 P.M.

PRESENTATION ON  
PENNSYLVANIA STATE SYSTEM OF HIGHER EDUCATION (PASSHE)

APPROPRIATIONS COMMITTEE MEMBERS PRESENT:

HONORABLE STAN SAYLOR, MAJORITY CHAIRMAN  
HONORABLE KEITH J. GREINER  
HONORABLE JOHN A. LAWRENCE  
HONORABLE ZACHARY MAKO  
HONORABLE JESSE TOPPER  
HONORABLE JEFFREY WHEELAND  
HONORABLE DAVID H. ZIMMERMAN  
HONORABLE MATTHEW D. BRADFORD, DEMOCRATIC CHAIRMAN  
HONORABLE EMILY KINKEAD  
HONORABLE PETER SCHWEYER  
HONORABLE JOSEPH WEBSTER

APPROPRIATIONS COMMITTEE MEMBERS PRESENT VIRTUALLY:

HONORABLE ROSEMARY M. BROWN  
HONORABLE LYNDA SCHLEGEL CULVER  
HONORABLE TORREN ECKER  
HONORABLE JONATHAN FRITZ  
HONORABLE JOHNATHAN HERSHEY  
HONORABLE R. LEE JAMES  
HONORABLE NATALIE MIHALEK

## APPROPRIATIONS COMMITTEE MEMBERS PRESENT VIRTUALLY

(Cont'd):

HONORABLE TIM O'NEAL  
HONORABLE CLINT OWLETT  
HONORABLE MICHAEL PUSKARIC  
HONORABLE CHRISTOPHER B. QUINN  
HONORABLE GREG ROTHMAN  
HONORABLE MEGHAN SCHROEDER  
HONORABLE JAMES B. STRUZZI, II  
HONORABLE RYAN WARNER  
HONORABLE AMEN BROWN  
HONORABLE DONNA BULLOCK  
HONORABLE MORGAN CEPHAS  
HONORABLE AUSTIN A. DAVIS  
HONORABLE ELIZABETH FIEDLER  
HONORABLE MARTY FLYNN  
HONORABLE ED GAINNEY  
HONORABLE STEPHEN KINSEY  
HONORABLE LEANNE KRUEGER  
HONORABLE BENJAMIN V. SANCHEZ

## EDUCATION COMMITTEE MEMBERS PRESENT:

HONORABLE CURT SONNEY, MAJORITY CHAIRMAN  
HONORABLE MARK M. GILLEN  
HONORABLE BARBARA GLEIM  
HONORABLE DAVID HICKERNELL  
HONORABLE JESSE TOPPER  
HONORABLE TIM TWARDZIK  
HONORABLE MARK LONGIETTI, DEMOCRATIC CHAIRMAN  
HONORABLE JOSEPH CIRESI  
HONORABLE MARY ISAACSON

## EDUCATION COMMITTEE MEMBERS PRESENT VIRTUALLY:

HONORABLE ROSEMARY BROWN  
HONORABLE VALERIE GAYDOS  
HONORABLE ANDREW LEWIS  
HONORABLE MILOU MACKENZIE  
HONORABLE JASON ORTITAY  
HONORABLE MEGHAN SCHROEDER  
HONORABLE CRAIG STAATS  
HONORABLE EDWARD GAINNEY  
HONORABLE CAROL HILL-EVANS  
HONORABLE NAPOLEON NELSON  
HONORABLE MICHAEL ZABEL

\*\*\*\*\*

*Pennsylvania House of Representatives  
Commonwealth of Pennsylvania*

## EDUCATION COMMITTEE STAFF PRESENT:

CHRISTINE SEITZ

MAJORITY EXECUTIVE DIRECTOR

DANIEL GLATFELTER

MAJORITY RESEARCH ANALYST

CHRISTINE CRONE

MAJORITY LEGISLATIVE ADMINISTRATIVE ASSISTANT II

ERIN DIXON

DEMOCRATIC EXECUTIVE DIRECTOR

CHRISTOPHER WAKELEY

DEMOCRATIC EDUCATION SPECIALIST

BOB BROWNAWELL, SR.

DEMOCRATIC LEGISLATIVE ASSISTANT

I N D E X

TESTIFIERS

\* \* \*

<u>NAME</u>	<u>PAGE</u>
DANIEL GREENSTEIN CHANCELLOR, PENNSYLVANIA STATE SYSTEM OF HIGHER EDUCATION.....	10

SUBMITTED WRITTEN TESTIMONY

\* \* \*

(See submitted written testimony and handouts online.)

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

\* \* \*

1  
2  
3           APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR: We'll  
4 call this second joint hearing of the House Appropriations  
5 Committee and the House Education Committee to order. And  
6 in accordance with Act 50 of 2020, the Chancellor is here  
7 today from the State System of Higher Education to talk  
8 about the integration plan. I want to welcome the  
9 Chancellor.

10           I think we'll start off, Chancellor, by swearing  
11 you in if you would rise and raise your right hand.

12  
13           [The witness was sworn.]

14  
15           APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR: Thank  
16 you, Chancellor.

17           With that, I want to go off with -- I'm going to  
18 ask Members -- well, first, I'm going to start off with  
19 asking the different Chairmen of the Committees to see if  
20 they have any comments to start the hearing and then we  
21 will do Member introductions. Representative Bradford?

22           APPROPRIATIONS DEMOCRATIC CHAIRMAN BRADFORD: I  
23 just want to thank the Chancellor for being here. I  
24 appreciate the opportunity, obviously looking forward to  
25 hearing what you have to say today.

1                   APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR:

2 Chairman Sonney?

3                   EDUCATION MAJORITY CHAIRMAN SONNEY: Thank you,  
4 Chairman Saylor.

5                   APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR: Go  
6 ahead.

7                   EDUCATION MAJORITY CHAIRMAN SONNEY: I just echo  
8 the same comments. You know, I'm glad you can make it here  
9 today, glad to see you in person, looking forward to a good  
10 discussion today and some very good questions, so let's get  
11 on with it.

12                   MR. GREENSTEIN: Thank you.

13                   APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR:  
14 Representative Longietti?

15                   EDUCATION DEMOCRATIC CHAIRMAN LONGIETTI: Thank  
16 you, Chairman Saylor. And thank you, Chancellor  
17 Greenstein, for being here today. We look forward to this  
18 status report on the planned integration. And I think we  
19 all have the same goals. We want a system that serves the  
20 interest of all the folks that are affiliated with it.  
21 Obviously, students need to come first, but also the staff,  
22 the employees of the system, which are significant, as well  
23 as the communities that they serve and all their alumni.  
24 So I'm looking forward to your remarks and also the  
25 opportunity to ask questions. Thank you.

1 MR. GREENSTEIN: Thank you.

2 APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR: Okay.

3 With that, I'm going to start behind me with Member  
4 introductions, so we'll go around the table over there, the  
5 Members that are present, and then we will come over here  
6 on this side and go around the table as well from back  
7 here. So, Representative Greiner.

8 REPRESENTATIVE GREINER: Representative Greiner,  
9 Lancaster County.

10 REPRESENTATIVE LAWRENCE: John Lawrence, Chester  
11 and Lancaster Counties.

12 REPRESENTATIVE WHEELAND: Representative Jeff  
13 Wheeland, Lycoming County.

14 REPRESENTATIVE TOPPER: Jesse Topper, 78th  
15 District, Bedford, Fulton, and Franklin Counties.

16 REPRESENTATIVE ZIMMERMAN: Dave Zimmerman,  
17 Lancaster County.

18 REPRESENTATIVE MAKO: Zach Mako, 183rd, Lehigh,  
19 Northampton.

20 REPRESENTATIVE GLEIM: Barb Gleim, 199th in  
21 Cumberland County.

22 REPRESENTATIVE TWARDZIK: Jim Twardzik, 123rd,  
23 Schuylkill County.

24 APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR:  
25 Representative --

1           REPRESENTATIVE GAYDOS: Valerie Gaydos, 44th  
2 District, Allegheny County.

3           APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR:  
4 Valerie, we'll get to you guys in a minute.

5           REPRESENTATIVE GILLEN: Mark Gillen, Berks and  
6 Lancaster Counties.

7           APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR: Any  
8 other Members here? Okay. Representative, if you would  
9 introduce yourself and we'll --

10          FEMALE SPEAKER: I'm sorry. I'm a staff member.

11          APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR: Oh, I'm  
12 sorry. Okay.

13          REPRESENTATIVE ISAACSON: Representative Mary  
14 Isaacson, Philadelphia County.

15          REPRESENTATIVE KINKEAD: Representative Emily  
16 Kinkead, Allegheny County, District 20.

17          REPRESENTATIVE SCHWEYER: Representative Peter  
18 Schweyer, Lehigh County, city of Allentown.

19          REPRESENTATIVE WEBSTER: Good morning, Joe  
20 Webster, Montgomery County, House District 150.

21          REPRESENTATIVE CIRESI: Joe Ciresi, Montgomery  
22 County, 146.

23          APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR: Okay.  
24 I'm going to -- Representative Gaydos has already  
25 introduced herself. So that we can hear everybody, I'm

1 going to announce who is on the virtual instead of worrying  
2 about whether mics are open or not. So we have -- we  
3 already heard from Representative Gaydos, who's here  
4 virtually. We have Representative Hickernell,  
5 Representative Lewis, Representative Mackenzie,  
6 Representative Ortitay, Representative Schroeder,  
7 Representative Staats, Representative Hill-Evans,  
8 Representative Zabel.

9 We have the following also on virtual:  
10 Representative Rosemary Brown, Representative Hershey,  
11 Representative James, Representative Tim O'Neal,  
12 Representative Owlett, Representative Schroeder,  
13 Representative Struzzi, Representative Warner,  
14 Representative Gainey, Representative Sanchez, and  
15 Representative Webster.

16 On leave, we have Representative Hefley and Kim  
17 and Representative Kail and Puskaric and Representative  
18 Madden and Lee.

19 With that, Chancellor?

20 REPRESENTATIVE DAVIS: I'm sorry, Mr. Chairman.  
21 Representative Austin Davis is on the line as well.

22 APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR: Oh,  
23 there, Austin. Okay. Sorry.

24 REPRESENTATIVE PUSKARIC: Mr. Chairman,  
25 Representative Puskaric is here as well.

1           REPRESENTATIVE FRITZ: Yes, Representative Fritz  
2 also. Good afternoon.

3           REPRESENTATIVE GAINEY: Representative Gainey is  
4 here as well.

5           APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR: Very  
6 good.

7           REPRESENTATIVE KRUEGER: And Representative  
8 Krueger.

9           REPRESENTATIVE CULVER: And Representative  
10 Culver.

11          REPRESENTATIVE ROTHMAN: And Representative  
12 Rothman.

13          APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR: Okay.  
14 Very good.

15          REPRESENTATIVE MIHALEK: And Representative  
16 Mihalek.

17          APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR: You  
18 see, Chancellor, this virtual does not work real well in  
19 having Members report who is who here. So anyway, we'll  
20 move on, Chancellor. I'll give you opening remarks if you  
21 have any, and then we'll move to questions.

22          MR. GREENSTEIN: Thanks. Thanks so much. Yes,  
23 just a few opening remarks just to orient the conversation  
24 if I can. And I'm going to address myself if I can. It's  
25 nice to see familiar faces and some new ones as well, so I

1 really address myself to the newer faces who may not have  
2 been following the story as closely as others.

3 But let me just begin by saying affordable  
4 career-relevant postsecondary education is a proven engine  
5 of social mobility and economic development, and it's  
6 essential to the future of this Commonwealth. And to meet  
7 the Commonwealth's workforce development needs, we need to  
8 grow the number of people who have some form of  
9 postsecondary education. Today's jobs require that 60  
10 percent of our adults have some postsecondary education.  
11 Today's numbers we're at about 47.5 percent, so we have to  
12 grow not contract. And presently, we're shrinking across  
13 the State.

14 And we can't meet that goal. We can't achieve  
15 that growth without our universities and colleges doing  
16 better with people who have been underserved historically,  
17 low-income students, rural students, students of color, and  
18 adults who are looking to re-skill and upskill in the job  
19 market.

20 And the State System, the Pennsylvania State  
21 System, its 14 universities, are central to our success in  
22 achieving this goal. They're the most affordable  
23 postsecondary option in the State. They offer a high-touch  
24 experience with great faculty. Our students graduate at  
25 rates which beat our national comparative groups. Our

1 degree programs align directly with workforce needs. Our  
2 graduates get good jobs, they earn good livings, and they  
3 work and live here in the State of Pennsylvania by and  
4 large. And our universities are, of course, cultural and  
5 economic life-bloods in their communities.

6 But, as many of you know, the State System is  
7 troubled. Over the past decade, it has lost 21 percent of  
8 its enrollments. And because it has not adjusted its cost  
9 structure and because the State is 47th in the Nation in  
10 terms of public expenditure in higher ed, it is severely  
11 challenged financially. And, as schools contract, they  
12 struggle to offer the full range of programs require by  
13 their students and their regions.

14 So university integration that we're discussing  
15 today is one element of a major system redesign that is  
16 conducted in partnership with the General Assembly. And I  
17 genuinely appreciate the leadership of so many of the  
18 Members of these two Committees over the last few years.  
19 The process, the integration process, is governed by law,  
20 Act 50, passed the General Assembly last summer with near-  
21 unanimous support, and it gives the board limited authority  
22 to integrate but not to close, integrate but not to close,  
23 universities.

24 The act also requires me to appear as Chancellor  
25 before you quarterly. In my first quarterly report, which

1 was last September, I outlined the results of a financial  
2 review required by Act 50. That review showed us that by  
3 integrating two sets of three universities, California,  
4 Clarion, Edinboro in the west, Bloomsburg, Lockhaven, and  
5 Mansfield in the northeast, our universities, and thus the  
6 system would be better off financially.

7           With the review completed, we then launched the  
8 second phase of the process defined in the act to build an  
9 implementation plan. We're in the middle of that process,  
10 the implementation plan for two sets of integrated  
11 universities, and we are hoping to submit that plan in  
12 April. That's our target. So this is a midway check-in.  
13 This is a progress report.

14           And in it you'll see the following: So the first  
15 thing you'll see is an inclusive approach to planning.  
16 This planning is being driven by people at the universities  
17 who are being considered for consolidation. One thousand  
18 of them are volunteering to work in various working groups  
19 that we have set up to do that planning effort. And  
20 they're surrounded by a pretty dense network of  
21 consultative and advisory bodies. You'll also see the plan  
22 begins to define the shape of the nature of the integrated  
23 entities.

24           And you'll see two things. One of them is a  
25 great deal of continuity. You're going to see that we're

1 pursuing a path where universities keep their names. They  
2 continue to use their names on the diplomas that they give  
3 to their graduates. We're pursuing a path where they can  
4 maintain their athletics teams, enable students to get  
5 degrees without driving between universities. But you'll  
6 also see a variety of changes, and they're fundamental, and  
7 virtually all of them are designed to expand student  
8 opportunity, right, so that students at any one of the  
9 three campuses will be able to have access to the programs  
10 at any of the others.

11           You'll see efforts to expand affordability, to  
12 actually reduce the total cost of the degree through some  
13 innovative approaches to developing degree pathways,  
14 approaches to improving student outcomes, reducing  
15 attainment gaps, and then to reach students who we know  
16 need our help but who we're currently underserving,  
17 students who don't have the luxury of time or the  
18 opportunity to attend a residential program but who want  
19 and would benefit from having an undergraduate degree, so  
20 looking at fully online undergraduate programming and  
21 looking at short-course certificates that meet the need of  
22 industry in high-demand areas.

23           I want to close by saying that there are three --  
24 some stuff that's not here, and it's frustrating to me,  
25 too, that it's not here. It just isn't done. And there

1 are a couple of critical pieces. So the first is the  
2 academic program array, what degree programs exist and how  
3 are they organized. It's coming. It's just a little ways  
4 off. The organizational chart for the new entity, we don't  
5 have that yet. And then the revised financial projection,  
6 what do we anticipate enrollments, revenues, and  
7 expenditures to be, including startup costs over the next  
8 several years. All those things are required by the act.  
9 With those three things in hand -- and they're coming in  
10 the next, you know, four to six weeks, we will then be able  
11 to do the impact studies that are required by the act, what  
12 are the impacts on students, faculty, staff, and  
13 communities. So it's not here, frustrating to me, too. I  
14 just wanted to manage expectations.

15           And finally, let me just close by thanking the  
16 many, many students, the faculty, the staff, the trustees,  
17 the community members with their sleeves rolled up in this  
18 process, you know, designing a future around our students  
19 of the future and their needs and the employers and their  
20 needs. They're doing all this voluntarily. They're doing  
21 it selflessly, creatively, courageously, and on top of  
22 full-time day jobs and in the midst of a pandemic. So I  
23 want to say kudos and thank you to them, and I look forward  
24 to your questions.

25           APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR: Thank

1 you, Chancellor. We'll start off with Chairman Sonney.  
2 Let me -- sorry to interrupt. But other than the Chairmen,  
3 everybody is limited to five minutes, and we're keeping a  
4 timer here, kind of controlling the hearing a little bit  
5 here, but the Chairmen are not subject to that five-minute  
6 rule, so Chairman Sonney?

7 EDUCATION MAJORITY CHAIRMAN SONNEY: Thank you,  
8 Chairman. Chancellor, thanks again for being here. You  
9 know, we've heard a lot of the integration plans. Most  
10 seem to be specific to the combining of the universities.  
11 But how is the overall effect of the integration? In other  
12 words, how much effect does it have on the rest of the  
13 system, the rest of those universities? Are they also  
14 going to be making changes within their structure?

15 MR. GREENSTEIN: So, yes, and they already are I  
16 think is the -- and let me give you a couple of examples.  
17 So we talk a lot about integrating universities,  
18 developing, you know, a single integrated suite of back-  
19 office functions, shared services but now tightly  
20 integrated. We're seeing that happen at the system level  
21 with things like procurement, IT, planning, but we're also  
22 seeing it happen between universities as they share with  
23 one another. Within the integrated universities, you're  
24 seeing, you know, a single leadership line, single  
25 management structure.

1           In universities that aren't integrating, you're  
2 already beginning to see, especially at the senior level,  
3 universities beginning to share senior posts with one  
4 another. So a lot of the things that we're seeing -- the  
5 universities being considered for integration are looking  
6 deeply at fundamentally restructuring student supports,  
7 enrollment, management, financial aid packaging, career  
8 services. You're seeing that work happening at other  
9 universities as well.

10           The -- my biggest frustration frankly as  
11 Chancellor and I hope my colleagues will forgive me -- is  
12 that I spend an awful lot of time necessarily talking about  
13 integration, and it detracts from my ability to talk about  
14 the wonderful work that is going on at eight other  
15 institutions.

16           EDUCATION MAJORITY CHAIRMAN SONNEY: Will the  
17 transfer of credits and the ability to attend, you know,  
18 different universities even though you're basically, you  
19 know, housed at one --

20           MR. GREENSTEIN: Yes.

21           EDUCATION MAJORITY CHAIRMAN SONNEY: -- is that  
22 systemwide?

23           MR. GREENSTEIN: It is an objective that we're  
24 pursuing. Critical to that objective is a piece of  
25 infrastructure, a single student information system. We

1 talked about that, I think, a little bit over the last  
2 couple of years. We're actually in the middle of an RFP  
3 process to identify a vendor and then develop a plan to  
4 roll that out over a period of years, which will enable  
5 that exchange to happen. I mean, the vision is that a  
6 student anywhere should have access to the kind of programs  
7 that are available anywhere.

8 EDUCATION MAJORITY CHAIRMAN SONNEY: And will all  
9 of the system schools be looking at capturing those  
10 underserved populations? In other words, will they all be,  
11 you know, really doubling down and looking at certificate  
12 programs and associate degrees and --

13 MR. GREENSTEIN: So I think what we're seeing --  
14 and I'm going to take the example of online -- is we're  
15 seeing -- you know, when I first got here, I think  
16 conversations with you, Chair Saylor, and I think with you,  
17 Chair Sonney, and others about, you know, how do we begin  
18 to think about our academic program array more holistically  
19 at the State level so that there's not so much unnecessary  
20 duplication so we have breadth and access at the same time?

21 You're beginning to see that happen most  
22 immediately within the integrated institutions because, as  
23 you integrate universities into a single -- right? But  
24 there's also one example right now, and I think it's going  
25 to be important and it's going to be telling. The western

1 universities, as you know, are looking at standing up fully  
2 online undergraduate degree and degree completion  
3 programming. Other universities have an interest in areas  
4 of fully online undergraduate degree and degree completion  
5 program, and yet we know because it's online that if we all  
6 move into that arena together, A, it's costly and  
7 challenging, but also we'll undercut one another.

8           And so we're actually using this as a real test  
9 case of how we can work together. How can the western  
10 universities act as a kind of hub which other universities  
11 who have an interest in online programming can use and  
12 benefit from? And it's complicated but we're making  
13 progress. And I watch that space as a real test case of  
14 whether we can achieve that kind of common approach.

15           EDUCATION MAJORITY CHAIRMAN SONNEY: Thank you.  
16 Thank you, Mr. Chairman.

17           APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR: Next is  
18 Representative Longietti.

19           EDUCATION DEMOCRATIC CHAIRMAN LONGIETTI: Thank  
20 you, Mr. Chairman.

21           Thank you, Chancellor, for your remarks and the  
22 answers to the previous questions. Focusing in on tuition  
23 costs because you've talked a little bit about the goal to  
24 reduce tuition costs perhaps as much as 20, 25 percent  
25 through this integration model. I just want to clarify

1 that. First, you know, like where do you see those cost  
2 savings coming from?

3 MR. GREENSTEIN: Yes.

4 EDUCATION DEMOCRATIC CHAIRMAN LONGIETTI: And are  
5 we talking about all students having that kind of same  
6 tuition cut? And when I say all students, not only the  
7 ones at the integrated facilities but how does that line up  
8 with the nonintegrated?

9 MR. GREENSTEIN: Yes. So what we're focusing on  
10 really is what is the total out-of-pocket price a student  
11 pays for a degree? We do not have -- no way can we cut our  
12 way into the 25 percent reduction in affordability. We are  
13 already super thin. I mean, we have been doing recession  
14 management for a dozen years and, you know, it's sad to  
15 say, but we're good at it.

16 What we're looking at is development of degree  
17 pathways that enable students to get to their degree  
18 objective without having to pay the price that they  
19 would -- and I'll give you a couple of examples. Dual  
20 enrollment, Mansfield University is exploring through a  
21 number of -- actually, they've scaled up to it. I think  
22 they've got 100 students who are dual-enrolled, who are  
23 high school students, who are taking courses at Mansfield.  
24 If a student arrives on one of our university campuses with  
25 a year or more of credit, they just reduced the cost of

1 their degree by a quarter, 25 percent.

2 Community college transfers, a lot of room for  
3 improvement there, but community colleges are -- depending  
4 on which community college you're attending, what district  
5 you're in, and where you live can be less expensive than a  
6 Pennsylvania State System university, so a two-plus-two  
7 program, a transfer student can do much better.

8 We're looking to fully online degree completion  
9 or fully online degree. More than half of the total out-  
10 of-pocket price a student pays towards their degree is  
11 room, board, and fees, right? So an online student,  
12 obviously, they have to live somewhere, but they don't have  
13 to live in the community, right? So you're not adding that  
14 additional burden. So we're looking at these pathways,  
15 restructuring pathways to enable our students to have more  
16 affordable opportunities to get to their degree objective.

17 EDUCATION DEMOCRATIC CHAIRMAN LONGIETTI: Okay.  
18 So you're not necessarily saying that we're going to see  
19 this across-the-board --

20 MR. GREENSTEIN: No.

21 EDUCATION DEMOCRATIC CHAIRMAN LONGIETTI: --  
22 percentage tuition cut?

23 MR. GREENSTEIN: No.

24 EDUCATION DEMOCRATIC CHAIRMAN LONGIETTI: You're  
25 saying that at the end of somebody's experience, they may

1 have saved that amount of money?

2 MR. GREENSTEIN: Yes. And, to be clear, a 25  
3 percent across-the-board tuition cut would be catastrophic  
4 for our universities. That's worth -- it's \$1 million per  
5 percent. It's about \$25 million, catastrophic.

6 EDUCATION DEMOCRATIC CHAIRMAN LONGIETTI: Now,  
7 you've talked a little bit about, you know, the online  
8 opportunities. I just want to clarify because, you know,  
9 some of our Members have talked about the importance of the  
10 college experience that, you know, for those of us that  
11 came up traditionally, you know, a good part of it was the  
12 academic experience, but there was a whole are more to it  
13 than that.

14 So when we look at these integrated universities,  
15 are they all going to have residential housing, and is it  
16 going to be as robust as what we see today or --

17 MR. GREENSTEIN: Yes.

18 EDUCATION DEMOCRATIC CHAIRMAN LONGIETTI: -- do  
19 you see changes in that?

20 MR. GREENSTEIN: Yes. And let me just correct my  
21 last statement. It's \$10 million per percent, so a 25  
22 percent tuition reduction is a \$250 million reduction in  
23 our revenues, so catastrophic.

24 So, yes, the objective is that in a newly  
25 integrated entity, there would be residential programming

1 at each of the campuses, that the additional effort is over  
2 and above. And so there's a slide in the deck that was  
3 circulated, which is the picture of the integrated entity.  
4 And each of them has four boxes within it, one for each of  
5 the existing universities and one for the kind of new  
6 business line, fully online in the case of the west, and  
7 the adult-oriented programming in the case of the  
8 northeast. So the objective is to continue that  
9 residential form of education because it's very important  
10 for students who need it, while growing into other markets  
11 that are underserved.

12 EDUCATION DEMOCRATIC CHAIRMAN LONGIETTI: So do  
13 you foresee the need for less residential at some of these  
14 institutions?

15 MR. GREENSTEIN: So I think something that all of  
16 us face collectively as people interested in the policy  
17 environment surrounding higher education is that demand for  
18 that kind of education is shrinking, and we're oversupplied  
19 in the State, which was a topic that we discussed in the  
20 Higher Education Funding Commission meetings. That is a  
21 problem across the Northeast in which I'll include  
22 Pennsylvania, and the South and the Midwest, and it is one  
23 of the adjustments that higher education generally is  
24 needing to make.

25 EDUCATION DEMOCRATIC CHAIRMAN LONGIETTI: Now,

1 when I look at the western integrated universities, so  
2 you've got Edinboro to the most north I think in the  
3 Commonwealth, you've got California University of  
4 Pennsylvania, which is in the southwest, and the distance  
5 between those two is about 145 miles and a good over two  
6 and a half hours' travel time.

7 MR. GREENSTEIN: Yes.

8 EDUCATION DEMOCRATIC CHAIRMAN LONGIETTI: Now,  
9 you've talked about students wouldn't have to travel --

10 MR. GREENSTEIN: Yes.

11 EDUCATION DEMOCRATIC CHAIRMAN LONGIETTI: -- for  
12 their degrees.

13 MR. GREENSTEIN: Yes.

14 EDUCATION DEMOCRATIC CHAIRMAN LONGIETTI: But  
15 what does that look like, and what does it also mean for  
16 university professors?

17 MR. GREENSTEIN: And this is one of the areas  
18 that I'm not going to be able to be specific because it's  
19 tied up in decisions about the academic program array, but  
20 what we have said to our students is that, no, you won't  
21 need to drive between -- and we'll design around that --  
22 between universities, and, no, you won't need to take your  
23 degree fully online. So we'll design to those parameters.  
24 The impacts on faculty and staff rely on recommendations  
25 which have not yet emerged about how the academic program

1 array is organized and how it's delivered.

2 EDUCATION DEMOCRATIC CHAIRMAN LONGIETTI: So,  
3 clearly, though, if I'm in a certain program of study --  
4 and I know you don't have all the answers --

5 MR. GREENSTEIN: Yes.

6 EDUCATION DEMOCRATIC CHAIRMAN LONGIETTI: --  
7 today, but it's likely that I'm going to have a choice  
8 perhaps of either I drive from Edinboro to California or I  
9 take it online, not all the courses but some of the  
10 coursework.

11 MR. GREENSTEIN: I think -- and again, it's going  
12 to be contingent on the discipline that we're talking about  
13 and the level that we're talking about, right? But the  
14 answer is that some students, yes, that will be -- sorry,  
15 yes, that will -- in some circumstances, that will be the  
16 case, yes.

17 EDUCATION DEMOCRATIC CHAIRMAN LONGIETTI:  
18 Finally, just want to touch on, you know, as you well know,  
19 one of the partners out there are the various foundations.  
20 So, as I understand it, these universities over the years  
21 there have been private, nonprofit foundations that support  
22 the mission of the university, perhaps provide scholarship  
23 money, perhaps endow a chair. And they're important, and  
24 we certainly -- you know, and I know some of them are  
25 involved in the stakeholder groups --

1 MR. GREENSTEIN: Yes.

2 EDUCATION DEMOCRATIC CHAIRMAN LONGIETTI: -- but  
3 we certainly want to hear their voice because they raise --

4 MR. GREENSTEIN: Yes.

5 EDUCATION DEMOCRATIC CHAIRMAN LONGIETTI: --  
6 important dollars. How does this integration from your  
7 point of view affect them? And when I think about it, I  
8 think about things of, well, if I'm a donor and I donated  
9 money to the Edinboro Foundation and, you know, that money  
10 is donated specifically to support a student from that  
11 community for a certain major or to endow a chair at  
12 Edinboro --

13 MR. GREENSTEIN: Yes.

14 EDUCATION DEMOCRATIC CHAIRMAN LONGIETTI: -- you  
15 know, then you start to wonder what is the effect if the  
16 integration goes in a different direction?

17 MR. GREENSTEIN: So a couple of things. First of  
18 all, we have no -- the affiliates are separate entities,  
19 organized, managed separately. Through Act 50 and even  
20 without Act 50, the board has absolutely no control over  
21 them, so they continue as affiliated entities managing  
22 their own governance, structure, and operation, et cetera.  
23 So no impact in that regard.

24 With respect of donor funding, donor funding is  
25 restricted. It would be illegal for a university to move

1 it from one cause to another. Ninety-something-plus  
2 percent of our donor gifts are restricted to a specific  
3 cause, right? A very limited amount is actually  
4 discretionary. And that will, I expect, continue.

5 EDUCATION DEMOCRATIC CHAIRMAN LONGIETTI: Yes. I  
6 guess the point is that decisions that are being made  
7 relative to this integration will impact those foundations.  
8 So insofar as they have restricted gifts an insofar as  
9 those restrictions are tight enough that they can't be  
10 repurposed, then a decision with the integration, let's  
11 say, that we eliminate a certain program and that's the  
12 restriction on that gift, then it can't be fulfilled. And  
13 so my point is that the decisions that are being made in  
14 the integration will affect the foundations.

15 MR. GREENSTEIN: I would say may. And obviously,  
16 that's going to have to come out in the next -- when we do  
17 the impact studies, which are not yet available. I would  
18 say may.

19 EDUCATION DEMOCRATIC CHAIRMAN LONGIETTI: All  
20 right. Well, thank you.

21 MR. GREENSTEIN: Thank you.

22 EDUCATION DEMOCRATIC CHAIRMAN LONGIETTI: And I  
23 certainly want to keep an eye on that and other issues.  
24 Thank you very much --

25 MR. GREENSTEIN: Of course.

1           EDUCATION DEMOCRATIC CHAIRMAN LONGIETTI:  -- Mr.  
2 Chairman.

3           APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR:  Next is  
4 Representative Greiner.

5           REPRESENTATIVE GREINER:  Thank you, Mr. Chairman.  
6 Chancellor, thank you for being here today.  I will say I  
7 know we voted for the act, many of us did, and I think it's  
8 a step in the right direction.  The integration is very  
9 important, and it's great because I was interested in the  
10 tuition aspect of it, too.  You said perhaps we can reduce  
11 costs.  That's important.  But as a body as a whole, as  
12 Appropriations Committee Members, we're often tasked to  
13 look at funding, you know, postsecondary education, just  
14 not the PASSHE schools but others.

15           And when I look at the 14 State System  
16 universities, we also have Penn State, of course Pitt, and  
17 others, and we also have a lot of private colleges, too,  
18 and universities.  And I know we've talked about this the  
19 last number of sessions because you talked about declining  
20 enrollment.  I mean, do we have a capacity problem?  Do we  
21 have an excess capacity problem that we need to try to deal  
22 with?  Because it is a struggle for us because we're asked  
23 to increase funding for all these schools, for the PASSHE  
24 schools.  And I guess the question is do we simply have too  
25 many enrollment slots at these institutions for the --

1 there is what appears to be a new demographic reality today  
2 in the Commonwealth. You know, people are going to trade  
3 schools and things like that. Maybe you can give me some  
4 insight into that because I do know Penn State, a lot of  
5 young people want to go to branch campuses, even Pitt, you  
6 know?

7 MR. GREENSTEIN: So we do have -- I mean, I think  
8 I led with this. We do have an overcapacity for a  
9 particular segment of the market, which is the high school  
10 leaving going to enroll in a traditional residentially  
11 based education, yes, we're over capacity. We are under  
12 capacity, going back to that topic of growth, right,  
13 growing our way into credentials, we're under capacity in  
14 other areas, right? Fifty thousand students each year from  
15 the State of Pennsylvania enroll in a fully online program  
16 from an out-of-state provider because they're not finding  
17 the affordable relevant option in-state. There's enormous  
18 demand and growing from adult students who are looking to  
19 re-skill, upskill, et cetera. And there are still segments  
20 of the, you know, population, low-income students, students  
21 of color, rural students who are fully academically  
22 prepared for a college education but aren't enrolling for a  
23 variety of different reasons. So there are areas of the  
24 broader student market where we're significantly  
25 undersupplied. Does that make sense?

1           REPRESENTATIVE GREINER: It does, but, like I  
2 said, I know this hearing we're focused on the  
3 integration --

4           MR. GREENSTEIN: Yes.

5           REPRESENTATIVE GREINER: -- model here, but when  
6 I do look at the big picture, I do look -- I mean, are we  
7 competing with Penn State? Are we -- when I say we, I'm  
8 referring to the --

9           MR. GREENSTEIN: Yes.

10          REPRESENTATIVE GREINER: -- PASSHE schools.

11          MR. GREENSTEIN: Yes.

12          REPRESENTATIVE GREINER: Is there something that  
13 needs to be done to address that? And, like I said, the  
14 cost -- to me, the cost of education are the huge driver  
15 here. They come to us for funding --

16          MR. GREENSTEIN: Yes. Yes.

17          REPRESENTATIVE GREINER: -- and then of course we  
18 want to try to find cost savings so these young people or  
19 even older students, they're able to get their degree.

20          MR. GREENSTEIN: Yes.

21          REPRESENTATIVE GREINER: How do we deal with that  
22 when -- because you're essentially competing against  
23 private schools --

24          MR. GREENSTEIN: Yes.

25          REPRESENTATIVE GREINER: -- and the Penn State,

1 Pitt, and Temples of the world.

2 MR. GREENSTEIN: So in February, I guess, of last  
3 year I was able to present to the Higher Education Funding  
4 Commission. We addressed this point directly. My advice  
5 to you as policymakers is to identify what your goals are  
6 in terms of what outcomes you want from the system as a  
7 whole and then develop the policy framework that enables  
8 you to accomplish those goals. You would call it a master  
9 plan 50 years ago, but it looks something like that today.

10 REPRESENTATIVE GREINER: Well, like I said, we've  
11 had our challenges. I do think the integration -- as you  
12 said, something had to be done. I appreciate your efforts in  
13 this moving forward and, you know, that's why we're having  
14 the hearing today, so thank you.

15 MR. GREENSTEIN: Thank you.

16 APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR: Next is  
17 Representative Isaacson.

18 REPRESENTATIVE ISAACSON: Good afternoon.

19 MR. GREENSTEIN: Hi.

20 REPRESENTATIVE ISAACSON: It's good to see you  
21 again.

22 MR. GREENSTEIN: And you.

23 REPRESENTATIVE ISAACSON: So following up on a  
24 question from our last hearing, we had discussed community  
25 colleges' announcement with their partnership with Southern

1 New Hampshire --

2           APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR: Anybody  
3 that's on virtual, please mute yourself. The noise is  
4 coming through the room. Thank you.

5           REPRESENTATIVE ISAACSON: Thank you. And then  
6 you mentioned that you were going to start discussions with  
7 them about a possible agreement amongst yourselves. How  
8 are those conversations going?

9           MR. GREENSTEIN: So the work that we're doing is  
10 directly related to the integration in the west where one  
11 of the objectives is to -- one of the reasons we're losing  
12 students from the community colleges -- and there are many  
13 -- but one of them is that students are starting in their  
14 community college programs, they are taking many if not all  
15 of their courses online, and they don't want a residential  
16 program. They already made that choice. So Southern New  
17 Hampshire has come in and basically feasted at that table.  
18 Our work in the west is a direct response to that which is  
19 the standing up, I said, fully online degree and degree  
20 completion program as a direct response to that potential  
21 opportunity.

22           REPRESENTATIVE ISAACSON: Well, you know, you  
23 were just discussing with us about taking an approach where  
24 we do some master planning, and I did find out that  
25 Shippensburg, along with the Community College of

1 Philadelphia, which is my city, they now have dual  
2 admission transfer agreements. And Indiana University of  
3 PA did a similar admissions program with Westmoreland.

4 MR. GREENSTEIN: West Chester just did another,  
5 too.

6 REPRESENTATIVE ISAACSON: Right. These are  
7 great. How about are you considering establishing kind of  
8 a single statewide dual admissions agreement with the  
9 community colleges, you're accepting their credits so that  
10 you can have a path? I mean, you have a pool of  
11 students --

12 MR. GREENSTEIN: Yes.

13 REPRESENTATIVE ISAACSON: -- who may not just  
14 want a certificate, may want to go since we have agreements  
15 with Southern New Hampshire. They obviously want to get a  
16 higher ed. Why is it not --

17 MR. GREENSTEIN: Representative --

18 REPRESENTATIVE ISAACSON: -- being put together  
19 and integrated so we could be all --

20 MR. GREENSTEIN: If I were emperor, this would be  
21 done.

22 REPRESENTATIVE ISAACSON: Well, I think you  
23 should be having those conversations and getting those  
24 agreements and accepting all those credits from those  
25 community colleges so that we can keep the students in the

1 public system here in Pennsylvania.

2 MR. GREENSTEIN: Thank you.

3 REPRESENTATIVE ISAACSON: So thank you.

4 APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR: Thank  
5 you, Representative. Representative Topper is next.

6 REPRESENTATIVE TOPPER: Thank you, Mr. Chairman.  
7 As a Member of both the Education and the Appropriations  
8 Committee, I'll start my 10 minutes' worth of questions  
9 now.

10 [Laughter]

11 REPRESENTATIVE TOPPER: The cost for the system  
12 redesign, so there's obviously -- you're requesting an  
13 increase, which I can understand, but what is the actual  
14 cost, you believe, for the redesign? And is that something  
15 that will take place over a couple of years as we look down  
16 the road at our budget, and how long?

17 MR. GREENSTEIN: So we will have a revised  
18 estimate in April for the entire redesign plus the  
19 integration as part of that. My guess is that \$100 million  
20 over five years was not wildly out as an estimate.

21 REPRESENTATIVE TOPPER: Okay. You know, as I  
22 look at the State System universities that have been  
23 successful, I look at West Chester, I look at Slippery  
24 Rock, and kind of along the lines of what Representative  
25 Greiner was asking, a lot of that to me is also

1 demographics. I mean, you have higher-populated areas in  
2 West Chester and Slippery Rock that are competing for a  
3 different set of students, so maybe the students that  
4 aren't going to go to Temple or they're not going to go to  
5 Pitt, whereas in the middle part of the State we have a lot  
6 of our State universities that seem to be competing for the  
7 same shrinking population of students.

8           So as we look at kind of the market moving  
9 forward and making, you know, \$100 million type of  
10 investment in a redesign, what are we looking to do in  
11 those markets may be in terms of recruitment? What is the  
12 plan that goes along with reaching into markets that, quite  
13 frankly, are losing population --

14           MR. GREENSTEIN: Yes.

15           REPRESENTATIVE TOPPER: -- but looking for better  
16 options?

17           MR. GREENSTEIN: Yes. And, you know, we talk a  
18 lot about the demographics, but I want to be super clear  
19 here. Demographics only explains -- we've had a 21 percent  
20 enrollment loss since 2010. Demographics plays a part of  
21 that, but the demographic decline of that high school  
22 leaving population only accounts for 5 percent, so what  
23 accounts for the other 16 percent?

24           So, clearly, you know, there's been years of a  
25 full employment economy, and obviously, that has accounted

1 for some, but I keep turning to affordability. You know,  
2 10 years ago a State System university was \$6,500 less  
3 expensive than its nearest competitor. Today, that gap is  
4 still there but it's nothing like that size, nothing. And  
5 then if you look at the trend data in terms of where are we  
6 losing enrollments, we're losing enrollments amongst our  
7 core, the people we were born to serve, low- and middle-  
8 income students of Pennsylvania. So somehow we have to  
9 figure out how to get back to that affordability advantage.  
10 Population decline will continue, but it doesn't explain  
11 either our enrollment decline or the enrollment decline at  
12 the community colleges, which has been at or a bit above  
13 our rate.

14 REPRESENTATIVE TOPPER: And the recruitment plan  
15 for going in and talking to high school students then goes  
16 to, you know, we want something that you can get that is  
17 affordable, as well as accessible in a four-, maybe five-  
18 year time frame, and --

19 MR. GREENSTEIN: And --

20 REPRESENTATIVE TOPPER: -- we're seeing that a  
21 lot, too, that --

22 MR. GREENSTEIN: Yes.

23 REPRESENTATIVE TOPPER: -- you know, a lot of  
24 these degrees are, you know, taking longer. And then that  
25 leads into my last question, which is something I think we

1 absolutely at every level have to consider, K through 12  
2 but also higher education is how are we going to remediate  
3 for these students who are coming out of this disastrous  
4 senior year that they've been put through slash junior year  
5 where they've not had access to the highest quality  
6 education. Now they're going to be going in and taking  
7 higher level classes. I don't want to see this whole group  
8 of students now come out and say, well, we're going to have  
9 to spend a year --

10 MR. GREENSTEIN: Yes.

11 REPRESENTATIVE TOPPER: -- you know, reteaching  
12 and catching you up, and you're just going to be continuing  
13 to pay and go six and seven years for a degree --

14 MR. GREENSTEIN: Yes.

15 REPRESENTATIVE TOPPER: -- because you haven't  
16 had education for a year and a half since COVID started.

17 MR. GREENSTEIN: And you're exactly right. And I  
18 think one of the most inspiring things that comes to me out  
19 of the work and what you're seeing in this report is the  
20 work of working groups who have made recommendations. They  
21 were asked to think about what needs to be in place in  
22 August 2022 when an integrated entity enrolls its first  
23 cohort of students, what are the priorities, and also what  
24 are your goals for whatever function you were looking at?  
25 And what you're seeing in the work is exactly what you'd

1 expect, folks taking advantage of a major watershed moment,  
2 an opportunity to transform what we do in service precisely  
3 to those objectives, fundamentally retooling financial aid  
4 packaging, student supports and student services, career  
5 services, outreach to high schools. All of that is  
6 emerging as priorities as they are designing the new you.

7 REPRESENTATIVE TOPPER: And I think that's what  
8 we need to know because we're going to have to do it at the  
9 K-12 level as well, somehow find a way to catch what has  
10 fallen through the cracks --

11 MR. GREENSTEIN: Absolutely.

12 REPRESENTATIVE TOPPER: -- and make sure that  
13 students are not, you know, punished for something that was  
14 completely outside, you know, of their control. So --

15 MR. GREENSTEIN: Yes.

16 REPRESENTATIVE TOPPER: -- I appreciate that.  
17 Thank you for the time, Mr. Chairman.

18 MR. GREENSTEIN: Thank you.

19 APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR:  
20 Representative Ciresi.

21 REPRESENTATIVE CIRESI: Thank you very much, Mr.  
22 Chairman. It's good to see you, Chancellor.

23 MR. GREENSTEIN: Nice to see you.

24 REPRESENTATIVE CIRESI: It's been a while. So we  
25 talk about programming and integration and closing -- not

1 closing, I know we don't use that word, although to me it  
2 looks like that's where we're headed, but we're not talking  
3 about student life though. We're not talking about the  
4 experience outside of what they're getting in a classroom  
5 and learning in a book. And I think for most of us who  
6 attended a university, we remember that it wasn't only  
7 about what happened in the classroom; it was about what  
8 happened as an adolescent growing up on the campus.

9           So my question to you is you've addressed  
10 something that you called student life, but if these  
11 campuses start to decrease because there's no longer  
12 students taking classes on campus, what has student life  
13 become, and how do we make sure that if I enrolled in that  
14 school and I'm in my third year and I've got two years to  
15 go --

16           MR. GREENSTEIN: Yes.

17           REPRESENTATIVE CIRESI: -- it went from 4,000  
18 kids to 2,000, I got 1,000 kids on campus, maybe I don't  
19 want this experience any longer. Maybe I drop out of  
20 school. Maybe we lose them. So what's the plan for that?

21           MR. GREENSTEIN: So two things. What you've  
22 outlined as a challenge is already happening. Let's not  
23 kid ourselves. When you look at universities which have  
24 lost 50-plus percent of their enrollment, we're there. So  
25 there are number of options. And these are state-owned

1 universities, so these are policy options, so as your  
2 Chancellor, I will help at least give you my view of what  
3 they are. One of them is to significantly reinvest in your  
4 universities as-is. If you want to reproduce the  
5 experience as was known 10 and 15 and 20 years ago, there's  
6 a price tag, \$250 million a year over and above existing.  
7 That's probably right, 200, 250. Yes, I mean, we've done  
8 some math on that. That's one way. It will recapture the  
9 affordability advantage because some of that would  
10 significantly enable us to reduce cost, et cetera,  
11 significantly enable us to grow enrollments because the  
12 cost is so reduced, and reintroduce the vibrancy that has  
13 declined, so there's an option. That's one option.

14 Another is to say, wait a minute, we've been  
15 doing recession management for over a dozen years. We've  
16 cut everything that's not nailed down. And trust me, our  
17 students feel it. They feel it at Edinboro where there's a  
18 bridge that is inconvenient, you know, creates other  
19 walkways. They feel it at universities where I visit and  
20 they recognize that the amount of money available through  
21 student fees, through programming is no longer what it was  
22 because there are fewer students, right?

23 So here's an opportunity to reimagine how to  
24 rebuild student life because you're not having to work  
25 every single day cutting every cost because you can offer a

1 full program array by combining forces across three  
2 universities. And there are two paths.

3 I mean, these are state-owned universities. This  
4 is ultimately a policy decision for this group, but I think  
5 the key point is not doing anything dramatic because that's  
6 how bad things are would be sacrificing the future of the  
7 Commonwealth. And I would not recommend that.

8 REPRESENTATIVE CIRESI: So just as a quick  
9 follow-up --

10 MR. GREENSTEIN: Sure.

11 REPRESENTATIVE CIRESI: -- tell me what you feel  
12 is the success that we see in West Chester University where  
13 we have so many students. We're almost at the point where  
14 we don't know where to put them anymore because so many  
15 kids want to go there --

16 MR. GREENSTEIN: Yes.

17 REPRESENTATIVE CIRESI: -- why that school is so  
18 successful? What's the model that we can take from that  
19 school and integrate into these other schools to possibly  
20 make them just as successful?

21 MR. GREENSTEIN: So I think Edinboro and Slippery  
22 Rock, since it was mentioned, and others, have been very  
23 agile in terms of shifting their programming. They saw the  
24 decline in undergraduate enrollment coming probably a  
25 decade ago. They expanded their graduate offerings. West

1 Chester expanded their graduate offerings extensively in an  
2 online environment. They took advantage of a Philadelphia  
3 marketplace which was not -- you know, I would not actually  
4 lay at the feet of West Chester or Slippery Rock, the fact  
5 that they exist in better demographic populations. You  
6 know, Slippery Rock doesn't, and West Chester you could  
7 argue, okay, there's more people in the southeast. It's  
8 also the most competitive marketplace in higher education.  
9 So I actually put this down to, you know, good management,  
10 thoughtful, strategic planning. That doesn't mean other  
11 people didn't do it, but very good choices over a period of  
12 years.

13 REPRESENTATIVE CIRESI: Thank you very much.

14 MR. GREENSTEIN: Thank you.

15 APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR:

16 Representative Lawrence.

17 REPRESENTATIVE LAWRENCE: Thank you, Mr.

18 Chairman. And Chancellor, thank you for being before the  
19 Committee. I'm up top here. I know with the masks it's  
20 hard to see when you don't see anyone's lips moving. So I  
21 appreciate you being here today and taking questions. I  
22 know you've got a lot on your plate. Overall, I think  
23 you're doing a good job with a very difficult job.

24 I'd like to talk a little bit about last week's  
25 board meeting. My understanding is that the PASSHE board

1 authorized a little over \$800 million in pension obligation  
2 bonds last week. I'm not going to lie. Pension obligation  
3 bonds make me nervous. I know there's, you know, different  
4 trains of thought on it, and I'm not looking to, you know,  
5 discuss the pros and cons, but I would just like to talk a  
6 little bit and ask you a couple questions about the  
7 issuance.

8 My understanding is is that pension obligation  
9 bonds are generally general obligation bonds and not  
10 revenue bonds and that these are likely to be taxable  
11 versus nontaxable. So would I be correct that these are  
12 going to be general obligation debt of PASSHE and that they  
13 will be taxable to the investors who purchase them?

14 MR. GREENSTEIN: I cannot answer that question.  
15 I'm going to have to get back to you on that.

16 REPRESENTATIVE LAWRENCE: I'd also like to know  
17 what the term of those bonds is going to be, are they going  
18 to be 20- or 30-year bonds?

19 MR. GREENSTEIN: It's a 30-year --

20 REPRESENTATIVE LAWRENCE: A 30-year note? Okay.  
21 Or 30-year bonds I should say. Is it anticipated that the  
22 contract to underwrite these bonds will be publicly bid or  
23 will there be -- we've seen no-bid contracts before with  
24 the issuance of debt and the Commonwealth. What is the  
25 anticipated action of PASSHE on that?

1           MR. GREENSTEIN: It's probably too soon to tell  
2 you definitively because the board just acted the other  
3 day. I have not heard any discussion about a no-bid bond,  
4 but I will certainly let you know when I know.

5           REPRESENTATIVE LAWRENCE: Has PASSHE had any  
6 preliminary conversations with underwriters on the bond  
7 issuance?

8           MR. GREENSTEIN: I can't answer that question.

9           REPRESENTATIVE LAWRENCE: Is that something you  
10 could get back to this Committee about?

11          MR. GREENSTEIN: Absolutely, yes.

12          REPRESENTATIVE LAWRENCE: Any underwriting  
13 document that's produced between PASSHE and a third party,  
14 could this Committee have a copy of that document?

15          MR. GREENSTEIN: I'm certain that everything we  
16 do is a public record.

17          REPRESENTATIVE LAWRENCE: So the answer then is  
18 that we could?

19          MR. GREENSTEIN: Yes.

20          REPRESENTATIVE LAWRENCE: Very good. Thank you,  
21 Mr. Chairman. And thank you, Chancellor.

22          APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR:  
23 Representative Kinkead.

24          REPRESENTATIVE KINKEAD: Thank you, Mr. Chairman.  
25 It's good to actually see you, Chancellor.

1 MR. GREENSTEIN: It's nice to be here.

2 REPRESENTATIVE KINKEAD: So I have a couple  
3 questions that I just wanted to say, so, first of all, I am  
4 actually a graduate of Bloomsburg University --

5 MR. GREENSTEIN: Thank you.

6 REPRESENTATIVE KINKEAD: -- so I had an  
7 incredible experience there as a student on campus. It was  
8 very helpful to sort of my growth as a person, and I had a  
9 lot of opportunity from the experience being a student on  
10 campus as opposed to online. And so I have a couple of  
11 concerns.

12 One of the things is that even when I was at  
13 Bloomsburg, the universities across the PASSHE system  
14 struggled with diverse faculty. There's the question on  
15 the internet which is when was the first time that you  
16 actually had a Black teacher? And I will say that the  
17 first time that I did was as a senior in college.

18 So as we contemplate the consolidation of my alma  
19 mater with a number of other universities, I think students  
20 are facing an issue where they would potentially see  
21 diversity in their faculty only through a screen. And I'm  
22 wondering if your plan contemplates how we're addressing  
23 diversity in that capacity?

24 MR. GREENSTEIN: Yes. So independently really of  
25 integration, although it's true of integration as well, you

1 know, this is part of a broader system redesign. And, you  
2 know, diversity, equity, and inclusiveness are fundamental  
3 components of it. So let me just tick through a few things  
4 which are actually important. So we've hired and really  
5 grown a group of leaders both at the staff and faculty  
6 level to drive this agenda. They are in place, not just  
7 one or two or three but a bunch. We have actually  
8 prioritized and created goals around diverse, equitable,  
9 and inclusive outcomes, and we hold ourselves accountable,  
10 not just the Chancellor but at the President's level and  
11 right through, to achieving those goals. And we are  
12 beginning to show progress. I mean, this takes time,  
13 right? We're beginning to show progress. It's slow and  
14 there's way more to do, but can I tick through a few  
15 because I don't want to be -- this is too important a point  
16 to overlook.

17           So our underrepresented minorities, so you URM  
18 enrollments, they've grown from 12 percent to 20 percent,  
19 right? We currently enroll more underrepresented minority  
20 students than exist proportionately in the population of  
21 Pennsylvania, so that's good. We're improving our success  
22 rates, reducing attainment gaps, 5 percent improvement in  
23 underrepresented minority retention this year. That was  
24 double the average for all the populations. Shippensburg  
25 University has had four years of improvement. That's hard

1 to do. At West Chester University, they have increased the  
2 proportion of nonwhite faculty to 26 percent, which is  
3 pretty dramatic, hard to do. And then Cheyney University,  
4 the Nation's oldest obviously historically Black  
5 university, they doubled their persistence rates. They've  
6 added 10 points to their graduation rates thanks to, you  
7 know, enormous help from the administration. They've  
8 cleared their debt to the system and salvaged their  
9 accreditation, and they have or are turning corners, still  
10 a lot to do. So that mission, that sense of purpose  
11 infuses the integration just as it works across all of our  
12 universities.

13 REPRESENTATIVE KINKEAD: Thank you. As a sort of  
14 follow-up to that -- and I think that you sort of alluded  
15 to a lot of the students that come in through sort of the  
16 Act 101 program in addressing diversity at our campuses,  
17 but as we are contemplating shifting with this  
18 consolidation having a lot of our classes shifted to an  
19 online presence, I think that a lot of those students in  
20 particular and students who would not otherwise be able to  
21 interact with Act 101 students potentially would lose the  
22 experience of interacting with their diverse classmates,  
23 which, you know, as we all know, is a huge way to bridge  
24 the empathy gap.

25 MR. GREENSTEIN: Yes, no, it's something to look

1 out for. And it ties into the student life questions. But  
2 I'm going to just put a counterproposal to you I guess.  
3 And we can design and protect for that, and we will, but  
4 let me go another direction. Think about the opportunity  
5 now that exists at Mansfield and Lockhaven to enroll in an  
6 AACSB-accredited business school. That's the highest level  
7 of accreditation you -- they couldn't -- to build one at  
8 their institutions would be beyond the reach certainly of  
9 Mansfield and probably Lockhaven. Think about the  
10 opportunity of a Bloom and a Mansfield student being able  
11 to have full access to the excellent physician  
12 assistantships program that is available at Lockhaven.  
13 This is about expanding opportunity.

14 Are there trade-offs? Yes, there are, but when I  
15 go and speak to community leaders -- and I do that a lot,  
16 and I listen in particular to the employers and the  
17 leadership who are talking about the reliance on  
18 universities to grow the next cadre of health professionals  
19 and teachers and businesspeople for that community so it  
20 can survive, and I think about the students and their  
21 needs, I focus directly on how do we get that student at  
22 that university in that community, that full range of  
23 programming that they could otherwise not have access to.

24 REPRESENTATIVE KINKEAD: Just one final question  
25 if I have time. So Bloomsburg is the largest of the

1 schools that are being integrated in the northeast, and I'm  
2 wondering how you're planning to ensure that as the more  
3 stable of the three universities, how the expansion, how  
4 the consolidation would impact Bloomsburg and how is that  
5 shift going to happen?

6 MR. GREENSTEIN: So at the risk of embarrassing  
7 some of my colleagues at Bloomsburg, you know, I spent a  
8 lot of time with readership with community members,  
9 trustees in particular, and I have to take my hat off to  
10 the Council of Trustees at Bloom because the Council  
11 Trustees at Bloom identified that problem in a very  
12 specific way, and they were incredibly helpful in  
13 developing, you know, through kind of thought partnership  
14 and back-and-forth in beginning to chart a path forward.  
15 And you'll see it buried in the -- not buried but it's in  
16 the report, and it talks about the importance of ensuring  
17 that institutions that are involved in an integration  
18 aren't simply going to inherit the bad debt that may exist  
19 in others in the triad, right? And we're beginning to work  
20 out strategies to make that happen.

21 And so it's a great -- I mean, so hats off to --  
22 shout out to Bloomsburg trustees and the trustees across  
23 all six have been phenomenal, just best partners that you  
24 could possibly think of having. And I can tell those  
25 stories about any one of the groups. But it sort of

1 testifies to the approach that we're taking. Integration  
2 is not something which is new in higher ed, but typically  
3 the way it happens is a bunch of folks go into a room and  
4 they sit around in the room for a while and then they  
5 spring it on you and say here's what we're going to do,  
6 bang, you have to help us execute. We're not doing that.  
7 We are actually involved in an organically driven planning  
8 process, and it's rich and super interesting. But, as a  
9 consequence, I'm convinced -- and this is a great example  
10 of it -- we will have a better product, a better plan.

11 REPRESENTATIVE KINKEAD: Thank you.

12 MR. GREENSTEIN: Thank you.

13 APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR:

14 Representative Schweyer.

15 REPRESENTATIVE SCHWEYER: Thank you, Mr.

16 Chairman.

17 Chancellor, how are you today?

18 MR. GREENSTEIN: I'm good, thanks. Yourself?

19 Nice to see you.

20 REPRESENTATIVE SCHWEYER: I'm well, thank you.

21 It's good to see you again and good to see you in person.

22 I've been a skeptic of this process from day one,  
23 you know that. I've said it in this room on more than one  
24 occasion, and I continue to be. But before we go there and  
25 to kind of illustrate some of those things that I have

1 concerns about, I want to just make sure that we understand  
2 the timeline moving forward, sir.

3 So it is your goal to present to the board the  
4 early consolidation plans or the phase one or your rough  
5 draft of it, however you want to phrase it, in April, April  
6 14, 15, something like that?

7 MR. GREENSTEIN: Correct.

8 REPRESENTATIVE SCHWEYER: Okay. And in that  
9 time, that's when you're going to outline and present your  
10 first proposals on the number of cuts, job losses, academic  
11 programs that may be eliminated, those sorts of things? I  
12 think I heard you say that earlier today.

13 MR. GREENSTEIN: Yes, you'll have basically a  
14 business plan, yes.

15 REPRESENTATIVE SCHWEYER: Okay. So we'll have a  
16 business plan at that point in time that will also include,  
17 again, degree programs, layoffs, job cuts, things along  
18 those lines that may be a result of this new plan moving  
19 forward. I keep using consolidation. I know you don't  
20 like that word, that's fine, so -- okay. And then shortly  
21 thereafter probably about a day beforehand knowing how  
22 leaks work in this building, we'll probably get a rough  
23 draft of that copy so we'll have an idea?

24 MR. GREENSTEIN: We'll get it to you as soon as  
25 we can, but then the submission to the board introduces a

1 60-day public review and comment period before the board  
2 could take an action, and because the board meetings  
3 typically aren't 60 days apart from each other, they're  
4 longer, there's a long period of consultation back and  
5 forth, et cetera.

6 REPRESENTATIVE SCHWEYER: Okay.

7 MR. GREENSTEIN: Yes.

8 REPRESENTATIVE SCHWEYER: So some period thereof,  
9 that will take us beyond the June 30th deadline for the PA  
10 State budget is your guess, 60 days after April, we're  
11 talking mid-June --

12 MR. GREENSTEIN: Yes, correct. Correct.

13 REPRESENTATIVE SCHWEYER: Okay. So we won't have  
14 the opportunity to weigh in on this particular budget in  
15 the current fiscal year, the '21, '22 fiscal year budget  
16 with this plan in any kind of meaningful way.

17 MR. GREENSTEIN: Correct. And the real impacts  
18 on the budget don't happen until '22, '23.

19 REPRESENTATIVE SCHWEYER: Okay. All right. So  
20 that gives us some time --

21 MR. GREENSTEIN: Yes.

22 REPRESENTATIVE SCHWEYER: -- to be able to have  
23 those conversations. Okay. In this process you had  
24 mentioned before you're going to be outlining or discussing  
25 or talking about other priorities. I believe you talked

1 about outreach, more attempts to find new students, those  
2 sorts of things, and that's going to be part of this  
3 overall process?

4 MR. GREENSTEIN: Yes, re-imagining enrollment  
5 management, yes.

6 REPRESENTATIVE SCHWEYER: Sure. Okay. But,  
7 regardless, that's going to still take some level of  
8 investment not only from the system itself but from the 14  
9 universities and from the General Assembly presumably?

10 MR. GREENSTEIN: Any support from the General  
11 Assembly would be and has always been greatly appreciated.

12 REPRESENTATIVE SCHWEYER: Understood, and I  
13 appreciate that answer because, as you said earlier, we are  
14 47th in the Nation of higher education spending, which kind  
15 of leads me to -- well, let me just ask this question then,  
16 sir. So if there were specific targeted actions that would  
17 help the process moving forward no matter if the board were  
18 to accept this plan or some, you know, version of this plan  
19 or not, that would help you attract more students to your  
20 system schools. Do you have an idea of what those are? Is  
21 it something that we can consider now so that we maybe are  
22 able to bump up enrollment?

23 MR. GREENSTEIN: So we are -- yes. So in the six  
24 universities, we are already in --

25 REPRESENTATIVE SCHWEYER: Not the six, I'm

1 talking about all 14, sir.

2 MR. GREENSTEIN: Okay. I'm sorry.

3 REPRESENTATIVE SCHWEYER: That's okay.

4 MR. GREENSTEIN: Can you ask --

5 REPRESENTATIVE SCHWEYER: Yes. Just how can we  
6 be helpful to you --

7 MR. GREENSTEIN: Okay.

8 REPRESENTATIVE SCHWEYER: -- in terms of trying  
9 to get more and more students to choose PASSHE schools?

10 MR. GREENSTEIN: Again, my biggest -- when I look  
11 at everything, when I look at everything I look at, the  
12 biggest challenge we face is affordability. Public higher  
13 education is all about an affordable postsecondary option.

14 REPRESENTATIVE SCHWEYER: Yes. I appreciate  
15 that, and if there's -- again, I'm not asking. I have not  
16 seen a budget request that you sent us. I have no doubt  
17 that you have those conversations with the Governor's  
18 office beforehand. I can check on that to see sort of what  
19 your goals were versus what was proposed versus what  
20 ultimately will be there.

21 A couple more things and then I'll yield. This  
22 is just a question for the future. I don't need an answer  
23 right now. I was impressed to hear, you know, the number  
24 of students that you are enrolling is growing in terms of  
25 those folks from disadvantaged communities.

1 MR. GREENSTEIN: Yes.

2 REPRESENTATIVE SCHWEYER: I wonder how much of  
3 that is impacted by any gains at Cheyney University.

4 MR. GREENSTEIN: Not significantly.

5 REPRESENTATIVE SCHWEYER: So Cheyney is not the  
6 driving factor of that one?

7 MR. GREENSTEIN: No.

8 REPRESENTATIVE SCHWEYER: Okay. All right.  
9 That --

10 MR. GREENSTEIN: Because those gains have been  
11 made over the decade, and Cheyney has actually been  
12 declining and it's just had an uptick.

13 REPRESENTATIVE SCHWEYER: Okay. All right. Very  
14 good. Thank you for that.

15 And then I guess I just want to leave you on  
16 this. To my colleague who spoke before, you literally just  
17 said that you are -- this whole process of consolidation,  
18 reimagining, whatever language we want to use, is about  
19 expanding opportunities. We can't know that right now if  
20 we don't know what the degree programs are that you're  
21 cutting. We can't say that it's about expanding programs  
22 when we're going to be eliminating degrees or at least  
23 proposing to eliminate degrees. It can't actually be about  
24 expanding opportunities. This is about saving money. This  
25 is about making the system financially solvent for years to

1 come. This isn't about expanding opportunities. This is  
2 the legislature and the Governor and all of us combined not  
3 been able to move that needle from 47th in the Nation to  
4 45th in the Nation, 44th in the Nation that would allow you  
5 to keep those opportunities at those different campuses.  
6 Is that --

7 MR. GREENSTEIN: So this may be a --

8 REPRESENTATIVE SCHWEYER: -- an unfair  
9 characterization?

10 MR. GREENSTEIN: Yes, I think it is. I mean, at  
11 least -- and it's not unfair of you. I mean, I'm taking it  
12 on myself. If that is what you read in the document, then  
13 we need to go back and reframe because the objective is  
14 expanded opportunity. Yes, I'm not going to kid you,  
15 financial stabilization is important. We're in trouble.

16 REPRESENTATIVE SCHWEYER: Okay.

17 MR. GREENSTEIN: Yes.

18 REPRESENTATIVE SCHWEYER: Okay.

19 MR. GREENSTEIN: But that is the objective. And  
20 just to your point -- and I said at the very beginning I  
21 feel your frustration. The academic program array is not  
22 done yet. It's not available for sharing, and there is  
23 uncertainty. You know, we focused -- and, frankly, we had  
24 to sort of nail down all the other stuff in the document  
25 that you've seen in order really to get to that next step.

1           REPRESENTATIVE SCHWEYER: Were you always  
2 planning on waiting until the April timeline or did COVID  
3 move that by any chance?

4           MR. GREENSTEIN: So we started this process back  
5 in July, and we set our timeline then and we're sticking to  
6 it. When we developed this planning process and its  
7 timeline and milestones, yes, we were on track.

8           REPRESENTATIVE SCHWEYER: Okay.

9           MR. GREENSTEIN: Yes.

10          REPRESENTATIVE SCHWEYER: All right. Very good.

11          MR. GREENSTEIN: We're on track.

12          REPRESENTATIVE SCHWEYER: Thank you. And I guess  
13 we'll see you in a couple of months.

14          MR. GREENSTEIN: Look forward to it.

15          REPRESENTATIVE SCHWEYER: Thank you, Mr.  
16 Chairman.

17          MR. GREENSTEIN: Thank you.

18          APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR: With  
19 that, we will now move to questions from people who are  
20 virtual.

21                 Representative Struzzi, if you would unmic or  
22 unmute I should say, and you're on.

23                 REPRESENTATIVE STRUZZI: All right. Thank you,  
24 Mr. Chairman. Good afternoon, Chancellor. I apologize  
25 that I could not be there in person today.

1           Just a quick question related to some of the  
2           conversations earlier in the hearing.

3           APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR:  
4           Representative Struzzi, if you can hear us, you're locked  
5           at this point. We are trying to work that out.  
6           Representative Struzzi, could you unmute yourself, please?

7           REPRESENTATIVE STRUZZI: Yes, can you hear me  
8           now, Stan?

9           APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR: I can  
10          hear you now.

11          REPRESENTATIVE STRUZZI: Okay. I apologize for  
12          that.

13          APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR: If you  
14          would start over, please.

15          REPRESENTATIVE STRUZZI: I'm not sure if the  
16          question came across, but essentially, you know, as we're  
17          talking about demographics and decreasing student  
18          populations here in Pennsylvania, is the State System  
19          looking at any incentives or tuition changes for out-of-  
20          state students to possibly attract them to the PASSHE  
21          system?

22          MR. GREENSTEIN: Yes, sir. And to elaborate, so  
23          over the last couple years we've moved to an approach to  
24          tuition where universities have actually proposed to the  
25          board the undergraduate rate of tuition. Universities have

1 always -- well, I don't know about always, but since I've  
2 been here and much longer before I'm sure have always  
3 determined the out-of-state tuition, and many have done  
4 exactly that.

5 REPRESENTATIVE STRUZZI: Okay, thank you.

6 APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR: Okay.  
7 Our next person to ask questions as Representative Webster.

8 REPRESENTATIVE WEBSTER: Thanks, Mr. Chairman.  
9 Good afternoon, sir. I had a couple quick questions I  
10 think.

11 One is to just understand the rationale when we  
12 have east, west, the western group would be about academic  
13 programs and degrees, and the eastern group be more about  
14 work skills and certificate-type programs. Can you explain  
15 the rationale for how that happened geographically?

16 MR. GREENSTEIN: Yes, sure. And let me just be  
17 clear. So the objective in both is -- and I think to an  
18 earlier question is it would continue to be residential  
19 academic programming of a more traditional nature at all of  
20 the six institutions so that the new -- so that when we're  
21 talking about fully online and more of the adult-oriented,  
22 career-oriented programming, think of them as sort of new  
23 business lines or new opportunities.

24 The rationale -- really, again, this has been an  
25 organic process. In the west grows out of long-standing

1 discussions between Cal and Clarion, which both have  
2 strength in online, which had even before integration was  
3 on the cards thinking about combining that strength and  
4 going into the undergraduate so it sort of continues. And  
5 similarly in the northeast, building upon some initiative  
6 that had been taken by Lockhaven and Mansfield a couple  
7 years ago to really begin to move in the direction that  
8 we're talking about with respect to adult and continuing  
9 education and very much reflecting employer demand in their  
10 region.

11 REPRESENTATIVE WEBSTER: Is there some  
12 consideration -- so a follow-up on that question. I know  
13 Penn State Carlisle has a big, you know, focus on work  
14 skills and careers and community colleges, et cetera. Is  
15 there a balance that -- because I'm not familiar with the  
16 west side, so --

17 MR. GREENSTEIN: Yes. Yes.

18 REPRESENTATIVE WEBSTER: -- forgive me on that,  
19 but it looks like it's going to be heavy competition for  
20 those programs in the east.

21 MR. GREENSTEIN: So, I don't know. I don't think  
22 so because what we're looking at of course is, you know,  
23 industries which are just starving for people. So, you  
24 know, our State is blessed with exceptionally good, you  
25 know, forecast data on workforce development need, I mean,

1 really good. And, you know, you're looking at demand in  
2 areas like health and agribusiness and finance and business  
3 services, and IT, which far outstrips our existing  
4 capacity. It goes to the gentleman's question earlier.  
5 Our capacity is oversupplied in a niche area. And in the  
6 meantime there's these whole sections of our citizenry who  
7 need affordable access to some form of postsecondary  
8 education, and we're undersupplied there. So this is about  
9 an adjustment.

10           And I think to the point that was raised earlier,  
11 there are broader policy implications that obviously will  
12 need to be dealt with at this level. So it's a competitive  
13 industry, but there's room for growth.

14           REPRESENTATIVE WEBSTER: Thank you. A quick  
15 follow-up and a completely different arena of questioning.  
16 Your interaction as you plan, you know, how this program  
17 plays out with the students, I know from reading that, you  
18 know, some of the student government people are involved in  
19 advising or at least part of the program. How do you reach  
20 to the breadth of your student body to get those kind of  
21 feedback --

22           MR. GREENSTEIN: So, yes, no, it's great -- I  
23 mean, a variety of ways. I mean, obviously, I meet through  
24 the formal associations, the student governance, but I also  
25 spend time on campuses. I visit each of our universities

1 once a term. I always meet with students, you know, for as  
2 long as I can get them. I follow their agenda. I have  
3 student board members who are very active, and I appreciate  
4 that, you know, providing advice and input.

5 And then I think more importantly or as  
6 importantly, you know, the planning processes, which are  
7 really being led in the region by President Hanna in the  
8 northeast and by President Pearson in the west, they have  
9 surrounded themselves with student advisory groups who are  
10 looking holistically across the plan, I mean, not -- you  
11 know, so students participate in the working groups, and  
12 they're documented, you know, and they will participate in  
13 working groups, which directly, you know, impacts student  
14 life. But they also have that privileged view where  
15 they're looking across the whole, and that's vital, I mean,  
16 because, ultimately, it's about them.

17 REPRESENTATIVE WEBSTER: It sure is. Thanks, Mr.  
18 Chairman.

19 APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR:  
20 Rosemary Brown, again, another virtual person. Rosemary,  
21 if you would unmute.

22 REPRESENTATIVE BROWN: Thank you, Mr. Chairman,  
23 and thank you, Chairman Sonney, also for the courtesy for  
24 remote questions. I truly appreciate it.

25 And, Chancellor, thank you for your information

1 today.

2 Earlier actually in the beginning of the hearing,  
3 Chairman Sonney discussed slightly the impacts as we move  
4 forward with the integration model. And then  
5 Representative Topper discussed sort of an overall  
6 recruitment, you know, question as far as how do we recruit  
7 from, you know, other universities. And then you also  
8 mentioned in the beginning eventually we will contract with  
9 a vendor, but it will be many years from now where the  
10 whole system will be integrated to expand opportunities.  
11 But from that statement I know that that's a while off.

12 So my question really falls to the schools that  
13 are not in the current integrated model. For example, we  
14 have Mansfield, Bloomsburg, Lockhaven, right, in that one,  
15 and then we have East Stroudsburg University, which is on  
16 its own as really the true northeastern school. I have  
17 some concerns just based on that we are putting so much  
18 attention. It is important for the overall system, and we  
19 do need to move forward. I do believe that the expansion  
20 of opportunities and even the current jobs that we are  
21 looking to fill are the jobs of the future, so you do have  
22 to expand and change these programmings. You can't stay as  
23 you always have, so you have to constantly evaluate, which  
24 I think is very, very smart because we want the jobs for  
25 the futures of these children.

1           But I do have concerns about this attention to  
2 the integrated model, while we know that that's important  
3 and to move forward and build our system, about the "do no  
4 harm" to the other universities that are not in the  
5 integrated model, you know, and not pitting them against  
6 each other as far as recruitment.

7           And, you know, as you know, I'm with East  
8 Stroudsburg University on the border here in my district,  
9 and so I just want to make sure that the attention to these  
10 integrated schools are there, but I don't want to see these  
11 other universities being harmed and possibly the  
12 recruitment being pulled from -- just taking one student  
13 from one university in our system and moving them to other  
14 universities, you know, and sort of doing harm to them. So  
15 has there been conversations about that? And if there has  
16 been, some of your thoughts on how we go about that to  
17 ensure they are protected as well?

18           MR. GREENSTEIN: Yes, no, I think that's a great  
19 question. And I said earlier that, you know, my one regret  
20 is that, you know, by talking so much about integration,  
21 there are eight other universities doing great things. And  
22 so a couple things. So, first of all, let me talk a little  
23 bit about process and structure and how we work together  
24 across universities.

25           So a little bit after I got here really with

1 input from Presidents formed an executive leadership group.  
2 I think of it as my cabinet, right? It's me and the  
3 Presidents. We meet every week for two hours. We used to  
4 meet every week for four hours, twice a week for two hours  
5 each. And we are focused almost entirely on issues such as  
6 these, strategic issues affecting the growth of the system  
7 and the place within it of our universities.

8           It is arguably the best team I've ever worked in.  
9 It did not start that way not because -- I mean, it started  
10 out fine, but it's the best team that I've ever worked in  
11 because every single one of us is able to ask the kinds of  
12 questions that you just asked, and they do it in a way  
13 which is respectful of one another, and they are hard  
14 conversations because we are, you know, and have been  
15 competing with one another.

16           I think we've made tremendous progress. I see it  
17 in, you know, some of the early shared services work that  
18 we've done. I've seen it in some great conversations  
19 around academic program planning at the system level.  
20 We've changed how programs get approved so that in fact  
21 they come up through the Chief Academic Officers, and the  
22 Chief Academic Officers meet together and understand their  
23 impacts across the system and they make recommendations to  
24 me through the Presidents as the Chancellor.

25           So I think that we're seeing -- and it almost

1 goes back to the comment I tried to make about diversity,  
2 equity, and inclusion. The stuff that we're trying to  
3 accomplish is transformational. It requires organizational  
4 capability from the leadership level down. We've spent  
5 some years building that, and we're beginning to see the  
6 fruits of those labors. And I believe we're seeing them in  
7 these kinds of conversations as well.

8           REPRESENTATIVE BROWN: Thank you, Chancellor. I  
9 think it's definitely something that is on my radar, and I  
10 think, you know, with all the good work you are doing and  
11 with all the hopefully positive improvements that we'll be  
12 seeing in the future, I definitely want to see some details  
13 in regards to this on them being paid attention to and not  
14 being hurt and getting the resources as well as we  
15 transition to maybe eventually years down the road a full  
16 integrated model.

17           And one last quick question. Do you have any  
18 names that are being thrown around for these integrated  
19 northeast schools or the other integrated models?

20           MR. GREENSTEIN: We do not yet. The schools are  
21 working together to -- sorry, the triads if I can call them  
22 that are working on this, and that should be available  
23 shortly. It's building on some of the great work that's  
24 already been done at all of our universities, including the  
25 six, where they have a better understanding of their brand

1 recognition, market needs, et cetera. So I look forward to  
2 seeing that soon.

3 REPRESENTATIVE BROWN: Great. Thank you,  
4 Chancellor. And thank you for continuing to remember this  
5 throughout the process. Thank you.

6 APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR:  
7 Representative Austin Davis, if you would unmute and  
8 proceed with your questions.

9 REPRESENTATIVE DAVIS: Thank you, Mr. Chairman.  
10 Can you guys hear me okay?

11 APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR: We can.

12 REPRESENTATIVE DAVIS: Thank you. And thank you,  
13 Chancellor, for being with us today. I have a few  
14 questions that deal with employment issues.

15 And the first is, is it your intent with the  
16 creation of these consolidated universities to renegotiate  
17 services that are currently covered by an existing  
18 collective bargaining agreement?

19 MR. GREENSTEIN: I don't think that's part of the  
20 intent.

21 REPRESENTATIVE DAVIS: Okay. So if it's not --  
22 well, I guess even if it's not the intent, will that happen  
23 or not happen?

24 MR. GREENSTEIN: And I wouldn't be able to answer  
25 that question if you asked me about the other universities.

1 You know, our situation is fluid. Our financial  
2 circumstances are appallingly bad.

3 REPRESENTATIVE DAVIS: Okay. Will the  
4 consolidation plan include any privatization efforts that  
5 are not currently privatized?

6 MR. GREENSTEIN: I didn't catch the last part,  
7 I'm sorry, Representative, that are not --

8 REPRESENTATIVE DAVIS: Yes, I said that are not  
9 currently privatized. Things that are currently publicly  
10 covered under collective bargaining agreements, will you  
11 aggressively seek to privatize any of those current  
12 functions?

13 MR. GREENSTEIN: So I can't answer that question  
14 because I don't know the answer. I'm not being obtuse, but  
15 let me just back up. So for those of you who are new to  
16 Education or Appropriations in the House, before the  
17 pandemic --

18 REPRESENTATIVE DAVIS: I'm not.

19 MR. GREENSTEIN: You're not --

20 REPRESENTATIVE DAVIS: I'm just saying.

21 MR. GREENSTEIN: -- so you remember. Before the  
22 pandemic, we had a serious financial problem. It just got  
23 \$215 million worse. The net impact of the pandemic on the  
24 system -- and this includes the summer stimulus funding --  
25 is \$300 million. The recent stimulus funding is worth 85,

1 so back that out, so we're down to \$215 million on top of  
2 an already very challenging situation. So we are, again,  
3 our State-owned universities, they were at a watershed two  
4 years ago. Nothing really has gotten better. In fact,  
5 it's gotten decidedly worse. And, again, I think it was  
6 the gentleman -- I believe you asked the question. These  
7 are policy choices. I'm your Chancellor. I will execute  
8 to the best of my ability whatever choice you make. But  
9 right now we have to act.

10 So that doesn't answer your question, I  
11 appreciate that, but --

12 REPRESENTATIVE DAVIS: No.

13 MR. GREENSTEIN: -- I'm putting in context where  
14 we are.

15 REPRESENTATIVE DAVIS: Thank you. So a follow-  
16 up, are you or your contracted consultants advising  
17 workgroups developing the consolidation plans to imagine  
18 there are no collective bargaining agreements as they work  
19 through their process?

20 MR. GREENSTEIN: No, absolutely not. No. We  
21 honor our collective bargaining agreements because they are  
22 our agreements. Collective bargaining agreements start by  
23 saying these are the agreements of management and whatever  
24 the bargaining unit is, and we honor that because they're  
25 ours.

1           REPRESENTATIVE DAVIS: And so would you not agree  
2 anything done through consolidation cannot change existing  
3 agreed-to collective bargaining agreements?

4           MR. GREENSTEIN: I think that any venture in  
5 public higher education that starts with the premise that  
6 nothing can change is doomed to fail. But that is not a  
7 comment on the collective bargaining agreements or anything  
8 else. This industry is enormously fluid. Your system is  
9 enormously challenged. Staying the same is not a good  
10 idea.

11           REPRESENTATIVE DAVIS: So I'm not advocating for  
12 staying the same or not. I'm simply asking are you  
13 planning to honor your current collective bargaining  
14 agreements?

15           MR. GREENSTEIN: Absolutely. They're agreements.

16           REPRESENTATIVE DAVIS: And earlier in the  
17 conversation when I questioned about privatization efforts,  
18 you said that wasn't your intent. I would honestly like  
19 some more clarification around that and more concrete  
20 answers hopefully before the plan is submitted in April.  
21 If not, I can guarantee you I'll be raising these questions  
22 again when you're before us.

23           MR. GREENSTEIN: No, it's great. I look forward  
24 to it. Thank you.

25           REPRESENTATIVE DAVIS: Thank you, Mr. Chairman.

1           APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR: Very  
2 good. Representative Wheeland.

3           REPRESENTATIVE WHEELAND: Thank you, Chancellor.  
4 I'm right here. I'm not on the screen. I'm live. I'm in  
5 person.

6           MR. GREENSTEIN: The Chairman is trying to  
7 confuse me.

8           REPRESENTATIVE WHEELAND: Yes. Thank you very  
9 much for all your work. And, I mean, this has been quite  
10 the project. And just to give you a little feel for where  
11 I'm at, I'm in the 83rd District, so the triangle that  
12 makes up Mansfield, Bloomsburg, and Lockhaven, the 83rd  
13 district is just about right smack dab in the center. And  
14 we have between or combined between current students,  
15 alumni, future students, parents literally in my  
16 district -- and I'm sure I'm not alone. Reps all over the  
17 State have similar situations, but literally thousands of  
18 constituents that are in some way connected to these  
19 universities.

20           So simple question. How do I communicate with  
21 these folks? Is there a marketing plan? I'm very fearful  
22 of a whisper campaign or social media that is going to  
23 cause a lot of disruption and a lot of heartburn, so is  
24 there a marketing plan for not only us but guidance  
25 counselors?

1 MR. GREENSTEIN: Yes.

2 REPRESENTATIVE WHEELAND: Is there a plan?

3 MR. GREENSTEIN: So our enrollment management  
4 folks who deal with this sort of thing are working very  
5 closely with marketing and communications. And I think I  
6 said this earlier. They're already beginning to reach out  
7 to students and recruiting them for this fall, next fall  
8 potentially to become part of an integrated university, and  
9 we're recruiting juniors to join athletic teams in two  
10 years, right, presumably, at an integrated institution if  
11 that's the way the board goes. And so, yes, we started  
12 there.

13 After October one of the things we did relatively  
14 early on was we reached out to students and we said what do  
15 you need to know, prospective as well as existing. And we  
16 got together through our enrollment management folks a  
17 great list of questions, and we just said, look, we just  
18 got to answer these questions and we're going to design to  
19 those answers. And they were things like if I'm recruited  
20 to an athletics team at Lockhaven or name your campus, can  
21 I play there for the time I'm in -- the answer is just  
22 going to be yes. Do I have to drive to complete a degree?  
23 No, the answer is no. You know, so we just went through --  
24 and they're obvious and good questions, and we owe and owed  
25 it to our students to answer them, so we did. And that was

1 really actually an essential part of this planning process  
2 because now we can begin to design, as I said, around the  
3 student who are already being recruited today.

4           The last point I would make in case students are  
5 listening in, this is the best time to come to Lockhaven,  
6 Bloom, or Mansfield because of the programmatic expansion  
7 that's going to be available to you if we go forward with  
8 the integration process.

9           REPRESENTATIVE WHEELAND: Well, again, I think  
10 you have a great message. I would sure like to assist you  
11 in that message, but I think it's going to take some  
12 professional folks in the marketing department to get that  
13 out. I'm just very concerned that --

14           MR. GREENSTEIN: Yes.

15           REPRESENTATIVE WHEELAND: -- this thing could get  
16 twisted --

17           MR. GREENSTEIN: Yes.

18           REPRESENTATIVE WHEELAND: -- you know, and I do  
19 really sincerely appreciate all your effort on behalf of  
20 the literally thousands of people in the 83rd District that  
21 have utilized your system and future users, so --

22           MR. GREENSTEIN: Thank you.

23           REPRESENTATIVE WHEELAND: -- thank you very much  
24 for --

25           MR. GREENSTEIN: Thank you.

1           REPRESENTATIVE WHEELAND:  -- all your work on  
2     that.

3           MR. GREENSTEIN:  And, Chairman, if you'll allow  
4     me, can I just maybe just build on that point a little bit?

5           REPRESENTATIVE WHEELAND:  Sure.

6           MR. GREENSTEIN:  This is super important.  It's  
7     super important for you as owners of the State System.  
8     This system is or has been and should continue to be a  
9     jewel in the crown of the State.  How we approach this  
10    process will significantly, to the gentlemen's point,  
11    impact its reputation and branding, how we comport  
12    ourselves in these conversations, et cetera, and so I'm  
13    acutely aware of that.  People who are working on the  
14    project are acutely aware of that.

15           Change is hard.  Change is necessary in this  
16    circumstance.  And our approach has been -- and I really  
17    want to shout out to the thousand people who are working on  
18    it -- is to look at the glass and to see what it could look  
19    like if it's filled up again and not look at the glass and  
20    say it's half-empty and getting emptier.  And it's that --  
21    and I can say that.  I can communicate my enthusiasm and  
22    enthusiasm of a thousand people who are working on the  
23    project, but I can't ask anybody else to do it.  But the  
24    impacts of not are significant and profound.  So thank you  
25    for bringing that up.

1           APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR:

2   Representative Krueger, if you would unmute, and you may  
3   proceed.

4           REPRESENTATIVE KRUEGER: Thank you, Mr. Chairman,  
5   and thank you, Mr. Chancellor, for joining us today and  
6   answering our questions.

7           So I've been on the Appropriations Committee for  
8   a number of years now, and I've noted, Mr. Chancellor, that  
9   over the last year or so, particularly during budget  
10   hearings, I've observed that you don't seem to like to talk  
11   about the need for more funding or how Pennsylvania is  
12   currently underfunding our State System of Higher  
13   Education. And yet just a few questioners ago you  
14   commented during this hearing that our financial situations  
15   are appallingly bad.

16           Last year, you shared that the State System could  
17   reduce tuition by 22 percent if Pennsylvania was funding  
18   the system at the national average. And if the State  
19   appropriation had kept pace with inflation over the last 10  
20   years, you'd be almost \$200 million higher than you are  
21   now. In last year's budget hearings you asked for a 2  
22   percent increase with a one-time infusion of \$20 million to  
23   help with this redesign process that you're outlining, and  
24   then this year your board voted back in October to ask for  
25   a 2 percent increase again.

1           So here's my question. Why don't you and the  
2 board of the system ask the Governor and us, the General  
3 Assembly, for a State funding allocation that is more than  
4 2 percent? And have you been advised not to ask us for a  
5 higher allocation?

6           MR. GREENSTEIN: So, no, I mean, obviously, I  
7 seek advice and input but ultimately make the  
8 recommendation to the board and the ask comes through the  
9 board. I make the recommendation to the board.

10           Your point is a good one, but I think you've  
11 helped me answer it. I mean, I have testified quite  
12 vigorously about the significance of the level of funding  
13 that the State has chosen over a period of years to make,  
14 and that is a policy choice and it's a policy choice of  
15 when I say this body, recognizing this is a joint body, but  
16 it's a policy choice of the General Assembly. And I can  
17 and do speak openly about what the consequences are and  
18 where we are, and the challenges that we're facing are a  
19 direct result of choices that have been made over a period  
20 of a long time, 20 or more years.

21           How can I help? You collectively, you know, come  
22 together and address this situation, and I've spoken about  
23 partnership. We have a great deal to do on our side to  
24 ensure that we're acting effectively as stewards of the  
25 resources that we have, that we're creating opportunity for

1 all of Pennsylvanians, that we are operating as effectively  
2 as we can with respect to the demands of communities and  
3 employers, and that we're as effective as we possibly can  
4 be. And that's our job. And the partnership part for the  
5 General Assembly is to support us in doing that. And I've  
6 been very clear about that. And if I haven't been, let me  
7 know how I can be clearer.

8           With respect to the 2 percent ask, my  
9 recommendation to the board is understanding the financial  
10 challenges that the system is facing, you want to fix that  
11 challenge with an injection of capital from the State, 10  
12 million, 20 million, great, it helps, but you're really  
13 looking at another 200 and something annual commitment  
14 going forward to the point that you raised a moment ago to  
15 get us back to where, you know, we would be sort of  
16 average.

17           I'm a realist and a pragmatist, and I also  
18 respect the fact that the State is in, my understanding, a  
19 pretty horrific set of circumstances. So my recommendation  
20 was to continue the partnership as best we can and be as  
21 honest and transparent as I can be about the nature of the  
22 situation we're in and to inform U.S. policymakers to the  
23 best of my ability.

24           REPRESENTATIVE KRUEGER: Well, as you said, Mr.  
25 Chancellor, these are policy decisions that are made

1 largely by the legislature, but we're operating off of your  
2 initial ask as the starting point. So you said you've not  
3 been advised to not ask for more than 2 percent --

4 MR. GREENSTEIN: Oh --

5 REPRESENTATIVE KRUEGER: -- by any Member of the  
6 legislature?

7 MR. GREENSTEIN: There are plenty of people, I'm  
8 sure, who would say, hey, just go for the full nut, \$250  
9 million, but this is also a process where we have to work  
10 together, and I'm just going to ask colleagues on both  
11 sides, you know, if I'm sitting here defending a \$250  
12 million annual increase, how am I going to be received  
13 here?

14 REPRESENTATIVE KRUEGER: That's a fair point. Do  
15 you think that the General Assembly will be more likely to  
16 increase State funding for the PASSHE system in the future  
17 after you go through this redesign process?

18 MR. GREENSTEIN: I think -- again, if I were  
19 emperor and not Chancellor, I would find a way -- and I  
20 think I said this at the last quarterly hearing because I  
21 listened to you, all of you and appreciate the input and  
22 the insights, and there are multiple perspectives, but in  
23 some respects they're all right -- that the State System,  
24 public education generally needs significantly more funding  
25 in order to achieve the kind of goals we're talking about,

1 and public education needs to be a greater steward and more  
2 responsive to the needs of employers, communities,  
3 community colleges, to the point that you raised earlier.

4           And I think I said at the last hearing and I  
5 think it was Representative Kim who, off the question that  
6 she had answered, you know, how can I help -- I mean, I'm a  
7 policy person even before I was a Chancellor. How can I  
8 help you -- how can I set the table so you can have that  
9 conversation to find a place where you can hold in your  
10 heads the fact you are both right. The solution is neither  
11 continue to cut and to transform, nor to continue totally  
12 to fund. It is both. That is how far we have gotten down  
13 this path.

14           And we don't any longer have the luxury of time  
15 to pass it onto the next. I said last year for the  
16 Appropriations hearing -- and I apologize for having to say  
17 it -- that this moment is going to happen on your watch as  
18 elected Representatives in your two years, and it has. And  
19 I'm sorry to be the bearer of bad news, but that is where  
20 we are. And I don't know how else to say that.

21           REPRESENTATIVE KRUEGER: So it appears to me that  
22 once you, you know, complete the final plan, go through the  
23 financial sustainability and redesign process, that there  
24 will be no other options left for you than to come back to  
25 us and ask for more funding. Two percent just does not

1 appear that it's going to cut the problem that you've laid  
2 out for us today, so I would invite you to be working with  
3 us to ask what we truly need to be investing in public  
4 education here in Pennsylvania.

5 MR. GREENSTEIN: Thank you.

6 REPRESENTATIVE KRUEGER: Thank you, Mr.  
7 Chancellor.

8 APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR: Very  
9 good. At this point I'm going to call on Representative  
10 Bullock if she would unmute and she can proceed.

11 REPRESENTATIVE BULLOCK: Great, thank you,  
12 Chairman. Good afternoon, Chancellor. I have just two  
13 questions, and one I think may have been touched on  
14 briefly.

15 The first is I understand you have several  
16 layoffs as part of this plan, I believe close to 100.  
17 Knowing that you have done a lot of work and your  
18 predecessor has done a lot of work in recent years to  
19 diversify faculty and staff and that your most junior  
20 members of the faculty and staff probably would make up  
21 most of these layoffs, how do you see that impacting the  
22 success you have had in many ways of diversifying faculty  
23 and staff, including members of color --

24 MR. GREENSTEIN: Yes.

25 REPRESENTATIVE BULLOCK: -- you know, in these

1 layoffs? And what steps are we taking to address the loss  
2 of those gains in these layoffs?

3 MR. GREENSTEIN: Yes. So a couple things. One  
4 of them is I did actually look at the retrenchment list,  
5 and it actually more or less mirrors the demographic of the  
6 general faculty of the population, so, I don't know -- so  
7 that doesn't concern me.

8 We have a couple of opportunities that simply  
9 don't exist in other systems, and we're trying to take  
10 advantage of them. Look, what we're talking about here is  
11 this is terrible stuff to do. I mean, it's not fun, it's  
12 not pretty. You know, we're talking about gut-wrenchingly  
13 difficult trade-off decisions, and some of them involve  
14 people, and these people are part of our family. And we  
15 are looking over the three-year period 2019 to 2021, '22 to  
16 reduce our headcount by about 11 percent, all right? And I  
17 want to contextualize that by saying that since the  
18 pandemic, higher education nationally has lost 13 percent  
19 of its employees, right? So we're looking at 11 percent  
20 reduction over three years. That's about 1,200 people.

21 We are doing that in a variety of ways to try to  
22 be as respectful and humane and to honor the loyalty and  
23 the commitment of our long-serving employees. So what are  
24 we doing? We didn't -- a retirement incentive where last  
25 year we got something like 300 and 219 plus 180, so

1 whatever that is, almost 400 people took advantage of that  
2 retirement incentive. We're doing another addition of the  
3 retirement incentive. And again, this is with all employee  
4 groups, right, faculty, staff, non-represented groups. We  
5 just agreed another version of that which will run for this  
6 year and next year, right?

7           We are fortunate in a way because so many of our  
8 employees are fully eligible for retirement and vested in  
9 the pension, right? So something like 800 faculty are  
10 eligible for retirement, and something like 700 staff,  
11 right? So together that's 1,500 people, right? Over a  
12 period of -- so thing one. Also, because of the retirement  
13 incentive last year and through other, you know, normal  
14 course of attrition, we're about halfway to that target.

15           Last point is that we do have, because of our  
16 contract -- and we worked hard on this a couple years ago  
17 with APSCUF, the faculty union. We do have the ability,  
18 you know, to take advantage of the fact that we're a system  
19 so that when there's a retirement at a university which  
20 creates a vacancy which needs to be filled, which happens,  
21 it can be filled with a faculty member from another  
22 university. So using these means together, we believe we  
23 can get to the place where we need to get to with respect  
24 to our employee complement with relying as little as we  
25 possibly can on layoffs. And that's important to me as a

1 person, but it's more important to the system as an  
2 organization, which is going to have to continue beyond  
3 this and to rebuild a culture after a moment of major  
4 transformative change. So we enter this with, you know,  
5 enormous humility and respect for the people that work as  
6 part of our family and trying to do right by them.

7 REPRESENTATIVE BULLOCK: I appreciate that. I  
8 hope as you go through this process that the focus and  
9 commitment to diversity, equity, and inclusion remains at  
10 the forefront of that process.

11 The second question -- and I'm not sure if it was  
12 asked either, and I apologize if I'm repeating anything  
13 that was already discussed -- Senate Bill 109 dedicated \$5  
14 million to the system or earmarked those dollars. Do you  
15 know what the plans are for those dollars at this moment?  
16 Will it be a part of this process of consolidation -- wrong  
17 term -- but of --

18 MR. GREENSTEIN: Yes.

19 REPRESENTATIVE BULLOCK: -- what we're doing  
20 right now or do you have other plans for the --

21 MR. GREENSTEIN: So my understanding is that the  
22 dollars -- but I could be wrong. My understanding is that  
23 the \$5 million are actually Federal funds which are as a  
24 consequence regulated through Federal guidelines, which  
25 means they can be spent on a number of things having to do

1 with the pandemic.

2 That being the case, that \$215 million hole,  
3 which is a hole that exists on the universities, that \$5  
4 million would be contributed to fill the \$215 million hole.

5 REPRESENTATIVE BULLOCK: I appreciate that.  
6 Thank you very much.

7 APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR: Okay.  
8 Seeing no --

9 REPRESENTATIVE BULLOCK: Mr. Chairman, I have no  
10 further questions.

11 MR. GREENSTEIN: Thank you.

12 APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR: So  
13 seeing no other questions from anyone, we will move to  
14 Chairman Bradford for his final closing comments. Chairman  
15 Bradford?

16 APPROPRIATIONS DEMOCRATIC CHAIRMAN BRADFORD:  
17 Thank you, Chairman Saylor. I again applaud you. I  
18 realize it's not an easy job you have, and I realize it's  
19 difficult in balancing the many stakeholders and people  
20 have real affection for these universities for good reason.

21 I think I'd also want to recognize Representative  
22 Krueger's words because I think they ring very true. The  
23 funding challenges that we see in our budget are replete  
24 and obvious, and I appreciated your discretion in not  
25 wading into the larger debate. It is difficult, and I

1 realize that this body sometimes does not fully appreciate  
2 the fact that when we don't make decisions over a period of  
3 decades, that it has real consequences. Some of those  
4 consequences are playing out in a very real fashion today.  
5 And I recognize that we put you in a difficult spot to make  
6 these choices when the legislature has some real  
7 culpability that needs to be addressed in this.

8 I would also like to say, though, and for those  
9 of us who do obviously want to invest those dollars in  
10 education at all levels and recognizing that the PASSHE  
11 system, we have a particular obligation to fully fund and  
12 to appropriately fund and recognize the communities that  
13 these colleges support but also recognize on the other side  
14 that we have demographic challenges that frankly predate  
15 the pandemic and continue to be a challenge in  
16 Pennsylvania. It's not unique to the PASSHE system. We're  
17 going to continue to deal with these problems unless we  
18 find a way to make the investments in things like a PASSHE  
19 system that will build a middle class, a workforce that  
20 will rebuild, frankly, the middle class here in  
21 Pennsylvania. Again, I think this legislature has to be  
22 part of that discussion.

23 And while it's great to give you the job of  
24 consolidation/integration and then kind of say we can, you  
25 know, pin the tail on the donkey over there, I think this

1 body needs to take a little bit of ownership over the  
2 challenges of the past decade, and that's over many  
3 administrations of both parties and control of this  
4 legislature in both parties. But until we get real about  
5 our budget situation, PASSHE, K to 12, and others, we're  
6 going to continue to deal with ramifications that we may  
7 not like. And there will be gentlemen and women not very  
8 different than you up there trying to answer these  
9 questions when, frankly, we should be looking in a mirror.

10 So thank you, Chancellor, and thank you,  
11 Chairman.

12 MR. GREENSTEIN: Thank you.

13 APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR:

14 Chancellor, just a few comments. You know, I heard a  
15 Member earlier talk about protecting our union agreements,  
16 and I understand that, but I also think that our number one  
17 priority as a legislature is our students. That's the  
18 responsibility we have. That's been the problem with  
19 PASSHE until you came along, that previous Chancellors and  
20 many of the Presidents -- not all of them, but many of them  
21 -- ignored what was changing in our world and didn't offer  
22 that to our students because many of our private colleges  
23 and universities across the State over the last many years  
24 were cheaper to go to than it was for -- and for poor  
25 students in particular and middle-class students to go

1 there than to go to PASSHE.

2 I'm a product of PASSHE. I believe in it. And  
3 I'm excited about what you're doing to change it back to  
4 where it should be. And I think by doing that you will  
5 build confidence among Governors and the legislature to  
6 increase funding to do what we can to help. But I'm a  
7 believer as a legislator not to send the money to people  
8 who aren't working appropriately and doing their job. That  
9 doesn't fall on just college professors. It falls on  
10 everybody that was in the PASSHE system at one time and  
11 still is still there maybe.

12 But the bottom line is I'm tickled, I really am,  
13 about seeing a system that I believed in that helped make  
14 me who I am today is going back to that system because I  
15 think that will be of great benefit to Pennsylvania  
16 residents and those who are coming here from out of state  
17 as well.

18 I know Representative Bullock talked about the \$5  
19 million you're getting in the recent funds we passed last  
20 week. I know also that the universities received about  
21 \$205 million from CARES funds as well earlier. I believe  
22 some of those went directly to the universities, I believe  
23 if correct. So I think it would be good for those college  
24 professors to let us know, whether, Chancellor, it's for  
25 you or them directly to us in the Appropriations Committee

1 and maybe the Education Committee as well, how those  
2 dollars were spent. I know half of that went to students,  
3 you know, as such, but it's always good for us as  
4 legislators to know those kinds of things. Those are  
5 questions we get all the time when it comes to budgeting.

6 Again, I think you're moving in the right  
7 direction and, like I said, I am very thrilled to see a  
8 system that I think, once you're done, will be a real  
9 shining example of how the State System should be run.

10 So I want to thank you because when you came  
11 here, you and I had a lot of conversations about this  
12 system. And I'm tickled that you -- again, I keep saying  
13 I'm tickled because I really am, that you have made such  
14 great progress and are moving in a direction that will  
15 benefit students in this Commonwealth for a long time,  
16 particularly those who are lower-income and middle-class  
17 students will now have a place to go for a quality higher  
18 education system and the diversity of meeting the needs of  
19 the workforce of today as well. I'm excited about what  
20 you're doing in those areas as well and partnering with our  
21 other community college and trade schools. So thank you  
22 for coming today. Any final closing comments, Chancellor?

23 MR. GREENSTEIN: I guess, yes, just one. I mean,  
24 I think it's important to call out -- and I did say, you  
25 know, you, we have a jewel in the crown. I mean, our

1 universities, they don't just change lives, they actually  
2 save lives, and they build and sustain communities. And  
3 they're filled with great people. The work that's coming  
4 through these working groups is just a smattering of what I  
5 see every day when I visit a campus virtually or physically  
6 or whatever. We have great faculty and staff. We attract  
7 great students. The stories that any one of them can tell  
8 are just moving.

9           And just so you know, it is a privilege even to  
10 this day to represent their work here in this body and to  
11 work with you to try to find a way through this thicket.  
12 So thank you very much for your attention and your  
13 interest. I appreciate it.

14           APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR: Thank  
15 you for all your information today, Chancellor, and we look  
16 forward to working with you as we go forward.

17           MR. GREENSTEIN: Thank you, Chairman.

18           APPROPRIATIONS MAJORITY CHAIRMAN SAYLOR: With  
19 that, this hearing is adjourned. Thank you.

20

21           (The hearing concluded at 2:49 p.m.)

1                   I hereby certify that the foregoing proceedings  
2 are a true and accurate transcription produced from audio  
3 on the said proceedings and that this is a correct  
4 transcript of the same.

5

6

7

Christy Snyder

8

Transcriptionist

9

Diaz Transcription Services