

COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES

HOUSE APPROPRIATIONS COMMITTEE
BUDGET HEARING

MAIN CAPITOL
HOUSE CHAMBER

WEDNESDAY, FEBRUARY 24, 2021
1:00 P.M.

STATE-RELATED UNIVERSITIES

BEFORE :

HONORABLE STANLEY SAYLOR, MAJORITY CHAIRMAN
HONORABLE MATT BRADFORD, MINORITY CHAIRMAN
HONORABLE ROSEMARY BROWN
HONORABLE LYNDA SCHLEGEL-CULVER
HONORABLE TORREN ECKER
HONORABLE JONATHAN FRITZ
HONORABLE KEITH GREINER
HONORABLE DOYLE HEFFLEY
HONORABLE JOHNATHAN HERSHEY
HONORABLE LEE JAMES
HONORABLE JOHN LAWRENCE
HONORABLE ZACH MAKO
HONORABLE NATALIE MIHALEK
HONORABLE TIM O'NEAL
HONORABLE CLINT OWLETT
HONORABLE CHRIS QUINN
HONORABLE GREG ROTHMAN
HONORABLE MEGHAN SCHROEDER
HONORABLE JAMES STRUZZI
HONORABLE JESSE TOPPER
HONORABLE RYAN WARNER
HONORABLE JEFF WHEELAND
HONORABLE DAVE ZIMMERMAN

Pennsylvania House of Representatives
Commonwealth of Pennsylvania

BEFORE: (continued)

HONORABLE AMEN BROWN
HONORABLE DONNA BULLOCK
HONORABLE MORGAN CEPHAS
HONORABLE AUSTIN DAVIS
HONORABLE ELIZABETH FIEDLER
HONORABLE MARTY FLYNN
HONORABLE ED GAINNEY
HONORABLE PATTY KIM
HONORABLE EMILY KINKEAD
HONORABLE STEPHEN KINSEY
HONORABLE LEANNE KRUEGER
HONORABLE BENJAMIN SANCHEZ
HONORABLE PETER SCHWEYER
HONORABLE JOE WEBSTER

NON-COMMITTEE MEMBERS

HONORABLE MARK GILLEN
HONORABLE TIM TWARDZIK
HONORABLE CURT SONNEY
HONORABLE KATHY RAPP
HONORABLE ERIC NELSON
HONORABLE EDDIE DAY PASHINSKI
HONORABLE DARISHA PARKER
HONORABLE MARK LONGIETTI
HONORABLE DANILO BURGOS
HONORABLE NAPOLEON NELSON
HONORABLE DAN FRANKEL
HONORABLE BOB MERSKI
HONORABLE PERRY WARREN

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COMMITTEE STAFF PRESENT:

DAVID DONLEY
REPUBLICAN EXECUTIVE DIRECTOR

RITCHIE LAFAVER
REPUBLICAN DEPUTY EXECUTIVE DIRECTOR

ANN BALOGA
DEMOCRATIC EXECUTIVE DIRECTOR

TARA TREES
DEMOCRATIC CHIEF COUNSEL

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I N D E X

TESTIFIERS

* * *

DR. PATRICK GALLAGHER
CHANCELLOR,
UNIVERSITY OF PITTSBURGH.....6

DR. ERIC BARRON
PRESIDENT,
PENN STATE UNIVERSITY.....8

DR. RICHARD ENGLERT
PRESIDENT
TEMPLE UNIVERSITY.....9

DR. BRENDA ALLEN
PRESIDENT
LINCOLN UNIVERSITY.....10

SUBMITTED WRITTEN TESTIMONY

* * *

(See submitted written testimony.
and handouts online.)

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P R O C E E D I N G S

* * *

MAJORITY CHAIRMAN SAYLOR: I want to get started here. I want to welcome our University presidents here today, our chancellors. We have Dr. Eric Barron, President of Penn State University; Dr. Patrick Gallagher, who is the Chancellor at Pitt. We have Dr. Richard Englert, who is President of Temple. And we have Dr. Brenda Allen, who is President of Lincoln University.

Ladies and gentlemen, if you would rise and raise your right hand, we'll swear you in.

(Whereupon, testifiers were sworn en masse.)

MAJORITY CHAIRMAN SAYLOR: Thank you very much. You may be seated, and we'll go directly into questioning.

And we'll start off with Representative Jesse Topper.

REPRESENTATIVE TOPPER: Good afternoon. Thank you so much to each of you for being here and representing your universities. I think, you know, a question that many of our constituents, you know, have had moving forward -- and I've encountered this from two levels.

1 And one is from the current students who are at
2 your institutions in terms of remediations.

3 Do you feel that, with everything that
4 has gone on with COVID, that for the most part,
5 students are where they need to be? Do they need
6 to catch up? What are those plans?

7 And then, that will transition into the
8 question of we have high school seniors that are
9 ready to come to your institutions that have
10 missed, in some cases, a year worth of education.
11 And what we don't want is to tell our
12 constituents or to have you tell students coming
13 in, basically we're going to take a year to catch
14 up and you'll pay five years or six years of
15 tuition instead of four. So if you could just
16 speak to that, you know, and how COVID has really
17 impacted the learning on your campuses and what
18 you're going to do moving forward.

19 DR. GALLAGHER: Great. Well, thank you
20 for that question.

21 I think that your question, for me,
22 reflects one of my great concerns, that with all
23 of this massive disruption, we lose a generation,
24 right. And what I would say on the academic
25 preparation side, there's certainly unevenness,

1 but I have not seen evidence where there's sort
2 of significant departures from sort of college
3 readiness yet.

4 REPRESENTATIVE TOPPER: You're talking
5 about students getting ready to come into?

6 DR. GALLAGHER: Students that have
7 recently come in. They came in, for example,
8 this fall.

9 But I do think that their experiences,
10 wherever they were in high school, have been
11 pretty varied. And I think that they've been a
12 little bit more worried. One of the things we've
13 tried to do at Pitt is to take academic mentoring
14 and preparedness and instead of treating it on as
15 needed, which can sometimes stigmatize, you know,
16 the fact that you're getting assistance and just
17 providing it to everybody on how to be a student
18 and how to be prepared to make that sort of
19 academic support much more common than just for
20 those that need it.

21 Because if it's viewed by students that
22 this is for remedial purposes, some students will
23 avoid it even if they could benefit from it.

24 REPRESENTATIVE TOPPER: And working with
25 parents, I assume -- you're going to have -- I

1 think you're going to have a lot of parents.
2 That's the ones that are coming to me saying, I
3 know my child isn't ready to enter the
4 engineering program that we want him to based on
5 his last work of high school. And I know, you
6 know, a couple of these schools, that's
7 particularly, you know, a major part, especially
8 at Penn State.

9 DR. BARRON: In my opinion, there's
10 quite a mixture there. I think you were
11 referencing the same idea. In terms of our own
12 student, we worked so hard at it in the spring.
13 We actually got more people to the finish line
14 and to graduate to get their credits than we did
15 the year before; and fewer students not making it
16 because the efforts were so deliberate, tapping
17 people on the shoulder.

18 But we see that the greatest weakness is
19 if you're in areas without broadband and you
20 don't have the same access to remote learning or
21 the schools are not as prepared to be able to
22 deliver remote learning. So this is an issue.
23 We actually worked with our own students to
24 provide hot spot locations, laptops, anything we
25 could to make sure that that could work. For a

1 number of high school students, that's going to
2 be a challenge. So I would say in many rural
3 areas, there may be students that will struggle
4 and we will have to work hard to help them more
5 than usual.

6 DR. ENGLERT: And if I could add to
7 that, what President Barron just talked about, is
8 a digital divide. And there is a digital divide
9 in many neighborhoods, including very poor
10 neighborhoods struck with poverty of all sorts,
11 and rural, as you said. And what we have found
12 is that students coming in, there's a broad range
13 of ability.

14 And we instituted about five years ago a
15 program which we call the Temple University
16 Option. And the Temple University Option is for
17 students who -- excellent students, strong
18 students, but they don't do well on standardized
19 tests. Now because of COVID, so many students
20 are not even able to take standardized tests. So
21 what we have found is more students are applying
22 through the Temple option. We still have some
23 students applying through the standard way, but
24 also through the Temple Option. And the Temple
25 Option is an opportunity to look at a student's

1 background in depth.

2 They fill out some questions that they
3 have to answer, but also we look at the student
4 holistically. And we have found over the past
5 five years that the Temple Option students do
6 just as well, just as well as the standard test
7 students. So we really feel that we can give
8 students the opportunity to come in to be viewed
9 holistically and then to be supported in the ways
10 in which we support them.

11 REPRESENTATIVE TOPPER: And my time has
12 expired, but I would also like to hear from
13 Lincoln, as well.

14 DR. ALLEN: Thank you. One of the
15 things we're learning from the developmental
16 education world is that we can actually imbed
17 into our credit-bearing courses more opportunity
18 to practice and hone the essential skills. So
19 sometimes students come a little less prepared.
20 They don't necessarily have to start in a
21 developmental course where they're not getting
22 credit, but if they're in a regular writing
23 course or early math course, increasing the
24 number of hours in that class, increasing the
25 number of opportunities to practice becomes

1 really important.

2 I take really seriously the question you
3 asked about incoming students and what we may
4 have to think about is really embedding that in
5 all of our core courses when all students come
6 back with the understanding that it will be
7 varied in terms of what students were able to
8 get. Practice never hurt anyone. And so if
9 you're a little bit ahead, great, you'll just
10 practice some more. If you're a little bit
11 behind, then the practice can bring you up to
12 pace. But scaling that sort of idea across the
13 board for new incoming students, I think, would
14 be a great idea.

15 REPRESENTATIVE TOPPER: And we need to
16 work with our K through 12 institutions to do
17 that, as well, so -- my time is up. I know there
18 will be more questions along this line, but I
19 appreciate it.

20 Thank you, Mr. Chairman.

21 MAJORITY CHAIRMAN SAYLOR: Recognize
22 Representative Austin Davis.

23 REPRESENTATIVE DAVIS: Thank you,
24 Mr. Chairman. And thank you to the University
25 presidents and Chancellor for being with us

1 today.

2 You know, I am a proud Pitt alumni, so
3 Chancellor, thank you for being here. And this
4 really could be directed to anyone, or the
5 Chancellor.

6 The cost of a degree is a major barrier
7 to access for many students. And we know the
8 pandemic has only exacerbated income disparities
9 for all Pennsylvanians. Have you seen any trends
10 in applications or retention of students with
11 higher financial aid to tell us if these access
12 problems are getting severely worse or just an
13 update on where that stands?

14 DR. GALLAGHER: Yeah, I thank you for
15 that question. And we're proud of you, too,
16 Austin.

17 What I would say is that I think this
18 has been the big question we've all been facing
19 since the very onset of the pandemic, you know.
20 The unique nature of this pandemic is that it
21 immediately had these economic impacts that were
22 going to be felt so unevenly across our economy.
23 And that's real, and we're seeing that effect,
24 you know, very uneven, you know, people that
25 never had financial need before suddenly needing

1 that help, an ability to be flexible.

2 But of course, the big question was
3 would this fundamentally alter the landscape?
4 Would people forgo education?

5 And we've all been reading stories about
6 gap years and people delaying their higher
7 education. You know, the other question is,
8 higher ed has typically been countercyclical.
9 You know, when the economy is done, people often
10 go back to school. And one of the very few
11 fringe benefits of an economic downturn is that
12 we, you know, tend to come out with a little bit
13 more upscaling and some, you know, new
14 background. That's not happening this time.

15 So what I would say to you is that the
16 -- it's mixed. We are certainly seeing people
17 respond to the immediate financial needs, either
18 seeking additional financial aid support, in many
19 cases by electing to take their classes remote
20 and then not use room and board costs and other
21 types of immediate savings relief for families,
22 but what we're not seeing yet is changes in
23 demand. So demand in terms of application at the
24 current time for the University of Pittsburgh are
25 near record levels.

1 And of course that's not true across the
2 higher ed landscape, but at the current time,
3 we're not seeing shifts in the demand side.

4 REPRESENTATIVE Davis: Great. And then
5 just a question for all the university
6 presidents. Do you know what percentage of your
7 student body is PELL-eligible.

8 DR. ALLEN: Sixty-four percent for
9 Lincoln University.

10 DR. BARRON: So for the Commonwealth
11 campuses, it exceeds 40 percent. And many of
12 those students transition to University Park, but
13 we do not get to count them. It's closer to 20
14 percent.

15 DR. GALLAGHER: Pitt is 20 percent, as
16 well.

17 DR. ENGLERT: And we're over 30 percent.
18 In fact, there's a group -- reform education
19 group -- that has been looking at PELL students,
20 and not only PELL students, looking at them
21 attending the various institutions, 600 different
22 institutions they looked at. But they also
23 looked at how well institutions graduate, PELL
24 students, and I'm just really proud to say that
25 Temple is ranked number 25th highest in how we

1 both accept PELL students and how we graduate
2 PELL students.

3 It's part of our DNA, which is to serve
4 the students of working-class families,
5 especially families that are challenged
6 financially. And that's one of the reasons why
7 we've kept -- and thanks to the Commonwealth and
8 the appropriation -- that we've kept our tuition
9 flat for the past two years and the third year
10 since 2012 we did that. Because we recognize
11 that even sticker price -- even sticker price --
12 can be an obstacle for students coming to
13 college, especially those who would be
14 PELL-eligible. So we want to be very, very
15 PELL-friendly.

16 Thank you.

17 MAJORITY CHAIRMAN SAYLOR: Dr. Allen --
18 I'm going to interrupt you just one second,
19 Austin. I will not take this from your time.

20 I don't know that the stenographer -- I
21 couldn't hear your answer to that question. So
22 would you mind repeating it so that the
23 stenographer that's not on site can hear you?

24 DR. ALLEN: Sixty-four percent.

25 REPRESENTATIVE Davis: Thank you,

1 Mr. Chairman. And just to President Barron
2 directly, your Penn State Greater Allegheny
3 Campus is a phenomenal community treasure in the
4 35th Legislative District where I represent. And
5 your President, Dr. Jacqueline Edmondson, has
6 done a phenomenal job in leading that campus, but
7 being a great community partner. And her
8 Crossing Bridges Summit is absolutely phenomenal
9 to bridge the racial divide in our community that
10 she's been doing. So I just wanted to commend
11 her and you guys for your work on that.

12 DR. BARRON: Thank you. I completely
13 agree with you.

14 REPRESENTATIVE Davis: And as a Pitt
15 alum, I never thought I'd get an award from Penn
16 State, but I'm honored to be getting the Friend
17 of Penn State Award this year. So I got both
18 ends -- both ends covered. So thank you and
19 thank you for your testimony today.

20 DR. BARRON: Thank you.

21 MAJORITY CHAIRMAN SAYLOR: Chancellor
22 Gallagher, I'd be a little worried.

23 DR. GALLAGHER: I'm going to
24 congratulate him and just say, we won't hold that
25 against you, so --

1 MAJORITY CHAIRMAN SAYLOR: With that,
2 we'll call on Representative Hershey.

3 REPRESENTATIVE HERSHEY: Thank you,
4 Chairman, for your time.

5 Thank you respective presidents for
6 being here. By way of reference, I represent the
7 Juniata River Valley where we have a
8 disproportionate number of Penn State grads
9 compared to the general population in
10 Pennsylvania. So we're very Penn State proud,
11 just over the mountain there.

12 But my first question relates to the
13 college experience and COVID-19. So as you guys
14 know, students are still paying Lincoln, they're
15 paying Penn State, they're paying Pitt, they're
16 paying Temple prices to go to your universities.
17 So what are you doing to ensure that they're
18 still getting the Lincoln, Penn State, Pitt
19 Temple experience?

20 DR. BARRON: So I can begin. I think we
21 are, one, very fortunate that we had a world
22 campus that's a remote campus that has been there
23 for 20 years and has more top 10 educational
24 programs than any other online program in the
25 country. So we had a strong foundation for

1 delivering a high quality education. What's
2 missing is a lot of the engagement activities.

3 Now, you know, in terms of federal
4 stimulus, we're returning directly to the
5 students about \$50 million. We returned food and
6 housing contract many -- money. We still had a
7 financial impact from COVID so far of over \$400
8 million. So this is certainly a challenge for
9 us. So within that context of focusing on
10 delivering a high quality education in the midst
11 of what is a stressful financial environment,
12 what is missing are those engagement activities.

13 So we literally have a group that is
14 working hard, largely with a carrot approach, to
15 have students have as many engagement activities
16 as they possibly can, all the way up to hopefully
17 having an outdoor but in-person commencement at
18 the end of this semester. We're also discussing,
19 particularly because this impacts the freshmen
20 who frequently have that freshman year as being a
21 profound moment of such experiences, to see what
22 we can do for the freshmen during their sophomore
23 year so they have a sophomore experience.

24 So there's no doubt we have to play
25 catch-up in terms of the experiences we're

1 offering our students. But our commitment to the
2 educational program is extraordinary. I would
3 say what our faculty have done to deliver a full
4 set of courses online has been nothing short of
5 remarkable. For some people, it's hard. For
6 some people, they love it. So it probably -- it
7 probably will result in even more flexibility for
8 future students who will want to take more online
9 classes because they know they can be successful
10 at it, but it's the engagement experiences that
11 have suffered.

12 DR. GALLAGHER: Yeah, let me build a
13 little bit on President Barron's answer. The
14 short answer to your question is we're doing
15 everything we possibly can. You know, these
16 students don't get a do-over. They can't put
17 their lives on hold. And we want them coming out
18 with that great Pitt degree, but also that
19 experience, that unique experience of deep
20 learning and experience-based learning and a peer
21 interaction that's so unique to a residential
22 college experience.

23 The truth of the matter is, you know,
24 there's no way to do it that doesn't recognize
25 the fact that COVID is having a direct impact on

1 what we can do. And so in addition to all of the
2 many similar things that we're doing on the
3 academic side, candidly, a big part of our answer
4 is to, you know, ask a little bit more of our
5 faculty, but a lot of our students as well, to
6 innovate and sort of, you know, we've put out new
7 funding for student groups, so that they can stay
8 active. We have seen them not tail off in terms
9 of their activities, even though they've had to
10 completely restructure how they do those
11 activities.

12 I think in some ways there's a learning
13 experience about living up to a national
14 challenge like this, and they've kind of embedded
15 that as well. So it may not be the typical or
16 normal Pitt experience, like there peers.
17 There's no way I can make that happen. But I do
18 think -- and I've seen a lot of it -- they're
19 coming out with something that's incredibly
20 valuable. Serving to help vaccination campaigns,
21 helping with their communities and needs, you
22 know, things that would not normally be
23 activities for engagement, but everything we
24 possibly can.

25 DR. ENGLERT: And from Temple's

1 perspective, I'll say ditto to what my two
2 colleagues just said, and say something that all
3 of us share passionately. We need to keep our
4 eyes focused on helping our students complete
5 their programs, graduate on time to fulfill their
6 dreams. That's why we're in the business. And
7 for us, that meant not only pivoting quickly,
8 going as COVID cases on campus rose, pivoting,
9 making certain that we provided the kinds of
10 experiences to help students complete their
11 courses, to graduate on time, but it also meant
12 providing a number of supports.

13 And the kinds of supports include the
14 regular kinds of academic supports, of advising
15 and the science center and the math center and
16 the writing center, all of those, and putting
17 them online. But also, the other types of
18 supports, which include the supports from
19 counseling, the supports for students who are
20 isolated, for bringing -- strategies for bringing
21 students together when they feel isolated. This
22 has been a very difficult time for many students
23 because of that isolation.

24 They come to campus. I've talked to so
25 many living on campus and yet still feeling

1 isolated because they can't do all of the
2 engagement activities that my colleagues just
3 talked about. So we really have to pay
4 attention. In addition to everything we've said,
5 all of us are also focusing on the counseling and
6 the psychological supports that need to be there
7 because the need is terrific.

8 REPRESENTATIVE HERSHEY: I think that's
9 -- I'm out of time, but do we have time for
10 President Allen?

11 MAJORITY CHAIRMAN SAYLOR: Yeah. Sure.
12 And look, let me clarify here, to give
13 you time. As members ask questions here, and if
14 you want an answer from every president, we'll
15 give them time and give you that time to get an
16 answer from all the presidents.

17 REPRESENTATIVE HERSHEY: Excellent.

18 MAJORITY CHAIRMAN SAYLOR: We're not
19 going to cut you off just because there's more
20 than two presidents. So for all members, be
21 aware of that. Thank you.

22 REPRESENTATIVE HERSHEY: Thank you.

23 DR. ALLEN: I guess I just want to
24 reiterate, this is a moment in time. It's a long
25 moment, but it's a moment, right. So the job

1 right now is to figure out how to get through it
2 in the best way possible, which really takes a
3 whole community of people to be able to get that
4 done, both curricular and co-curricular.

5 So as we sit here right now, Lincoln
6 University is a member of the CIAA, which is one
7 of the oldest athletic conferences in the nation.
8 We are in the process of having a virtual
9 tournament. So that tournament is something
10 people look forward to for over 100 years. Well,
11 right now we have to pivot to online, but they
12 still have the same workshops for high school
13 students to learn about college. There will be
14 some women empowerment programs. There will be
15 all kind of virtual step shows and virtual
16 basketball games.

17 And so we've had to actually figure out
18 how to reimagine and be really creative in order
19 to make sure that we're also offering our
20 students some valuable outside-of-the-classroom
21 opportunities. I think it's important now to
22 also really just give some thank-you to many of
23 the corporations who have come forward and put
24 all of their career fairs and job fairs in a
25 virtual world. So we've been able to connect our

1 students with internship opportunities, job
2 interview opportunities, because, you know, it's
3 not just higher education that's in this
4 predicament, but it's the entire world. And once
5 this is over, we're going to have to be ready to
6 move forward.

7 And so we're just making the best that
8 we can until we get to a better time. Thank you.

9 REPRESENTATIVE HERSHEY: Thank you for
10 your time. I'm very curious about how a virtual
11 basketball tournament works. So we'll have to
12 follow up on that.

13 DR. ALLEN: I am, too. Just log on to
14 CIAA.org and register and you'll see, but it's
15 actually happening.

16 REPRESENTATIVE HERSHEY: There you go.
17 I'll check that out.

18 But thank you guys for your time. You
19 know, as my colleagues are always quick to remind
20 me, I'm not so far removed from the college
21 experience myself, and I know how important that
22 is to not only our students, but also the
23 families that are paying for it. So I appreciate
24 hearing what you guys are doing to keep that
25 experience alive and to also try to pass some of

1 those savings along to the students, as well, and
2 expand those counseling opportunities.

3 Thank you.

4 MAJORITY CHAIRMAN SAYLOR: Next is
5 Representative Kinkead.

6 REPRESENTATIVE KINKEAD: Thank you,
7 Mr. Chairman.

8 And thank you all for joining us today.
9 So obviously, the cost of college, particularly
10 in and around the pandemic is an important
11 concern as all of the questions thus far have
12 sort of addressed it. And I will be continuing
13 on that theme. I am working currently on a bill
14 that would allow students who complete a two-year
15 associate's degree at a community college to be
16 guaranteed admittance to our PASSHE schools as
17 juniors to complete a bachelor's degree.

18 Community colleges are largely
19 considered one of the best ways to make higher
20 education both more affordable and more
21 accessible. And I'm wondering if you could talk
22 about how the State-related universities could
23 improve transferability of credits between public
24 institutions and the Commonwealth and, you know,
25 maybe even with community colleges, as well.

1 DR. BARRON: I --

2 DR. ENGLERT: Regarding community
3 colleges, if I --

4 DR. BARRON: Go ahead.

5 DR. ENGLERT: We have the mechanism of
6 articulation agreements with so many community
7 colleges. And our articulation agreements are on
8 three levels. One level is dual admission. And
9 that means if the student meets certain standards
10 within community college, automatic admission. A
11 second level is gen ed to gen ed. That we at
12 Temple University accept the general education
13 courses from community college and they count,
14 literally, the same as if they're taken at Temple
15 University. And the third is a program to
16 program. And we have something like over 95 of
17 those kinds of agreements.

18 But the key thing here is making it as
19 seamless as possible for a student to go from
20 community college to Temple University. And for
21 us, the model is a young man who came from a very
22 poverty-stricken background, single-parent
23 home/mother, wanted to come to Temple University,
24 didn't do as well at high school as he might
25 have, went first to community college. His first

1 instructor at community college was a Temple
2 doctoral student, graduated from community
3 college, came on a scholarship to Temple
4 University, soared like an owl, we would say, and
5 he ended up a road scholar. And that shows how a
6 partnership -- the partnership between the
7 Commonwealth, your appropriation, the community
8 college, the public schools, and a State-related
9 university, how these kinds of partnerships can
10 be successful in truly providing life
11 opportunities for this young man.

12 DR. BARRON: So we have about a dozen
13 articulation agreements with community colleges,
14 one that I think that is pending. We have clear
15 rules on transfer of college credits, C or
16 better. And we have a long history of community
17 college students transferring to Penn State. I
18 think about 10 years ago it was the order of 840,
19 860 -- I don't remember the last exact number --
20 but it's still over 800, slightly less than it
21 was before.

22 So this is something we work hard to do
23 to help people that are successful in a community
24 college continue on and get a Penn State
25 educational.

1 DR. ALLEN: I want to add that I think
2 one thing that's important. I think you asked a
3 very important question and that will be a very
4 important bill to actually achieve a true 2-2, 2
5 years get your associate's and be ready to go on,
6 is that there also, I think, in these
7 articulation agreements, there has to be some
8 relationship between faculty and programs at the
9 4-year college. So your general education,
10 accepting that, is really important. That's a
11 big part of the portfolio requirement for the
12 baccalaureate degree, but ensuring that those
13 first level courses can also serve as a
14 prerequisite for the courses that you need as you
15 transition into a major becomes really important,
16 as well.

17 So we just signed an articulation
18 agreement with Delaware Community -- County
19 Community College. And while it's important to
20 have that clear articulation, we want to go the
21 one step forward and really look at the programs
22 and figure out what a seamless pathway is. And
23 so if a student is going to transfer and come
24 into, I don't know, criminal justice, for
25 example, will the stat course at the community

1 college transfer and serve as the right
2 prerequisite for the major, as opposed to
3 transferring in and then having to repeat some of
4 those courses because you don't have the faculty
5 on both of those campuses actually talking about
6 what are the requirements in order to have the
7 transition to the 2-2. But I think it would be a
8 great bill.

9 DR. GALLAGHER: I think it's fantastic
10 what you're working on. I mean, my fundamental
11 belief is that the more pathways there are
12 through higher education, the more success we're
13 going to have. And candidly strong community
14 colleges make us stronger, too, because they're
15 such a vital asset. You've heard a lot about
16 sort of articulation agreements and that kind of
17 lowering the friction part of this, you know, I
18 could say me too for a lot of that, but I want to
19 focus on a couple other things we're doing at
20 Pitt.

21 One is we have the Pitt Admissions
22 Collaboration, which is a partnership between
23 Pittsburgh public schools, CCAC, and Pitt, to
24 provide mentoring at the high school level that
25 would include discussions of options about how

1 those community colleges could be part of your
2 pathway. So it's kind of pathway mentorship.
3 We've also worked with CCAC counselors, so that
4 as part of the counseling they would receive --
5 be receiving in community college, very specific
6 discussions about whether that degree not only
7 would transfer, but would count towards the
8 degree that they're going to get if they're going
9 to come to Pitt.

10 And also now, a new Pitt transfer tool
11 that we've brought online this March that really
12 provides very specific information transfer
13 students want about credit readiness and finances
14 and all the other aspects of transfer. Maybe one
15 of the most exciting experiments we're doing in
16 this is interestingly at Titusville. That was
17 formerly a 2-year campus of the University of
18 Pittsburgh. As enrollments have declined, we are
19 reinventing that as a hub model, which is
20 basically sharing a campus among three different
21 programs, a Pitt program in professional
22 activities like nursing and other health-science
23 fields, a partnership with the Northern
24 Pennsylvania Community College, and the
25 Manchester Bidwell Job Training Program. And the

1 idea is students there are automatically involved
2 and sort of co-admitted to all three. So
3 complete mobility across three different
4 providers.

5 We think that's an exiting way to
6 repurpose underutilized campus assets across
7 Pennsylvania, provide an environment that's very
8 conducive to being both agile and addressing the
9 needs of employers and sort of addressing this
10 problem of, you know, my relationship is, you
11 know, one institution. Here, they're all kind of
12 mixed for you.

13 So I wish you success and we look
14 forward to working with you on this.

15 REPRESENTATIVE KINKEAD: Thank you.
16 That was very informative.

17 Thank you, Mr. Chairman.

18 MAJORITY CHAIRMAN SAYLOR: Our next
19 questioner is Representative Dave Zimmerman.

20 REPRESENTATIVE ZIMMERMAN: Thank you,
21 Mr. Chairman.

22 And thank you, presidents, for taking
23 time to be right here at the Capitol with us.
24 It's good to have you here.

25 So my question revolves around two

1 areas, actually, all related to finances. I'm
2 understanding about across the country there's
3 about 13 percent of faculty/staff were lost
4 during the pandemic. So I'd like to just hear a
5 little bit about, you know, your numbers and what
6 your impact has been.

7 And then also, maybe a little bit of a
8 breakdown of your actual losses and during all of
9 that, fundraising, how's that going? And in
10 addition to that, was there any savings at all in
11 the process, as well? So kind of loaded, but --

12 DR. BARRON: I'm happy to begin. We
13 estimate it's not an audited number. We're still
14 looking at it on the order of a \$400 million
15 impact. I believe we were fortunate that when we
16 saw it coming, we began to do a lot of things,
17 hiring chill/freeze, no salary increases. We
18 delayed some construction projects. We started
19 turning over a lot of stones.

20 We were very fortunate that we had the
21 support of this body for SERS, for us to purchase
22 some of that liability that saved us money. That
23 was for access and affordability and innovation,
24 but instead, we used it to cover some of our
25 bases. We got a line of credit, believing that

1 this is an event, not a decadal story. And so,
2 we have used \$50 million of that line of credit.
3 In order to make sure that we could manage this,
4 we dipped into our reserves substantially. We're
5 an institution that has a strong bond rating and
6 we have worked hard to maintain a level of
7 reserves. So we dipped into that rather deeply
8 in this particular process. Hardest hits were
9 auxiliaries, housing, food center, Bryce Jordan
10 Center, athletics, the hotels that the University
11 has.

12 So at the same time, we believed that
13 since this is an event, that our employees and
14 protecting them is extremely important. So with
15 very few exceptions, we did not lay off
16 individuals. We did have people that could not
17 work. We -- we partially paid them with the
18 federal stimulus, made them whole. We think we
19 have a responsibility for our communities, for
20 the people that work for us that we know are
21 going to come back, to be able to pay their rent
22 and put food on the table. We don't think this
23 works well for the Commonwealth just to have more
24 people on the unemployment rolls.

25 And the only exception there was the

1 Nittany Lion Inn was closed. And it was closed
2 in order to provide a residence for students that
3 were immune compromised and had greater risk, for
4 them to have single rooms separate from the rest
5 of the student body. And so a limited number of
6 employees, in that particular case -- because
7 that's a long term factor -- we could not
8 employee. But we did not lay off any faculty.
9 And with the exception that I just said, we did
10 not lay off staff, except for a partial couple
11 with stimulus that they were whole.

12 DR. GALLAGHER: Well, I was trying to
13 see which order we went. First of all, let me
14 start with the health impact because that's the
15 one that keeps me awake at night. Fortunately,
16 we've had very low cases, number of cases of
17 COVID-positive staff and faculty. And what we
18 know most about that population in this kind of
19 highly remote work environment are the ones that
20 have to come onto campus. They are, of course,
21 part of our surveillance program, part of our
22 testing program. And I'm not aware of any
23 hospitalizations there or fatalities there, thank
24 goodness. I mean, obviously that's very
25 important.

1 On the student side, you know, Pitt has
2 performed extremely well. On a per capita basis,
3 our students have received some of the virus
4 control performance that ranges amongst some of
5 the better schools across the country, and we're
6 very proud of that. I have to tip my hat to
7 students and say, this is a socially transmitted
8 disease and it really comes down to student
9 behavior and conformance. And people have bought
10 into this and they want to do it both to protect
11 themselves and the people around them. That has
12 been the key ingredient.

13 And obviously, financially, but there's
14 also -- I just want to point out that people are
15 stressed and they're tired and home-schooling and
16 this never goes away. And that is a real impact,
17 but on the financial side, what I would
18 characterize for you is that the numbers are big.
19 I mean, we're probably into \$150 million so far,
20 aggregate losses, auxiliaries, housing and food
21 have played a big role. You know, some of the
22 losses in revenue sources.

23 But what I would say is that, you know,
24 we have been able to cover almost all of that
25 with the exception of the auxiliaries, which is

1 much more of a reserve and we'll pass it to the
2 future a little bit. But the -- by offsetting,
3 by reducing activity, so we've also reduced \$45
4 million in cost reductions and one-time cost
5 reductions, plus another 30 in permanent
6 reductions with a voluntary early retirement
7 program. You know, that is really going to let
8 us ride through this, particularly as we watch
9 some of the federal assistance come in. That
10 portion that doesn't go to direct student aid,
11 which has been about half of it, which has been a
12 big relief there, as well.

13 DR. ENGLERT: And for Temple University,
14 roughly \$120 million in lost revenues and
15 increased costs. But let me say -- and I'm sure
16 I speak on behalf of all of us when I say that
17 one of the things that helped us through all of
18 this was the fact that you provided us with our
19 appropriation for the full year. That was an
20 anchor. There was no guessing on that one. It
21 was an anchor, and that anchor allowed us to do
22 other things.

23 For example, at Temple University, cost
24 containment strategies were considerable. We had
25 been laying the groundwork over the years. In

1 fact, since 2016, our administrative costs have
2 actually dropped by 1.6 percent over that period.
3 But in addition, we moved aggressively. We
4 reduced about \$23 million, cost cutting last
5 year, and another \$48, \$49 million this year.
6 Obviously, we did the kinds of strategies that
7 are smart to do.

8 We did impose a hiring freeze. That's
9 still there. Salary reductions for highly paid
10 employees. We worked with our unions. We
11 reduced spending. We did a number of strategies,
12 including less spending because people were kind
13 of shut down. There wasn't travel, those kinds
14 of things. When you put it all together, we were
15 able to -- that plus reserves, plus the help from
16 the federal government, CARES funding, and the
17 help from the Commonwealth, not only
18 appropriations, but also some funding. We were
19 able to continue, unabated our programs.

20 We did not have any furloughs and no
21 layoffs because of COVID. Just the normal
22 patterns that we go through every year of, you
23 know, when there's reductions in one area and
24 growth in another other. But this was a
25 partnership. It was a partnership that the

1 Commonwealth and our universities and the federal
2 government and donors -- you mentioned donors.

3 We actually had our highest fundraising
4 year ever last year. And so everybody came
5 together. Everybody recognized that we need to
6 do something here. So I want to thank this
7 legislature, this House, and the Commonwealth for
8 your help.

9 DR. ALLEN: So again, we want to also
10 thank you. It was great to know that our
11 appropriation was in place before we started what
12 we knew would be a tough year. On top of that,
13 allocations from the Pennsylvania CARES Act also
14 helped with just new deficits that we picked up
15 in the new year. At one point at the end of
16 2020, we thought that that would be the end of
17 it, but guess what, it's 2021 and we're still
18 sort of managing that.

19 I'm happy to say at Lincoln University
20 we were also able to keep everyone employed.
21 There was more than enough work for folks to do.
22 So as some of the earlier questions were asked,
23 how do you keep students engaged? I think
24 everyone had to reimagine their work. We had to
25 work differently to make sure that we were

1 covering students in the remote way that we --
2 which was different than the way we would if they
3 were on campus. So that was really very
4 important.

5 We've seen -- and I'm going to throw a
6 percentage out here, but my CFO is over there.
7 He'll text me if I'm wrong. But I think we're
8 seeing about maybe a 16 to 17 percent reduction
9 in expected revenue based upon what we put in the
10 budget last year. And we've just been having to
11 manage that reality as best we can. And again,
12 support from the State, support from the federal
13 government has been really very helpful.

14 I think it's also interesting when we
15 look at fundraising. We didn't have the best
16 year in terms of dollars, but we've had one of
17 the best years we've had in a long time in terms
18 of number of donors. So more people gave, but
19 they could -- they had to give less because, you
20 know, everyone was in this situation, but the
21 generosity did still come forward.

22 And so I want to echo that this has been
23 a real community sort of experience. I think
24 institutions have rallied around each other. Our
25 alums have rallied around us. Federal, state

1 governments have rallied around our institutions,
2 I think showing some of the best that we have as
3 a nation as we are all trying to face this
4 crisis.

5 And again, I want to thank you all for
6 being a part of that support.

7 REPRESENTATIVE ZIMMERMAN: Thank you
8 very much. Really appreciate the very
9 informative answers and the clarity. And it
10 sounds like all of you actually maybe fared
11 better than we have nationwide.

12 So thank you for the good work.

13 MAJORITY CHAIRMAN SAYLOR: Next is
14 Representative Bullock.

15 REPRESENTATIVE BULLOCK: Thank you,
16 Mr. Chairman. Good afternoon, presidents.

17 I had to show my Temple pride and go dig
18 out my Temple mask as a proud alum of the Temple
19 Law School. I've been focusing this year on
20 ratio inequity and the history in our country,
21 and particularly, as we have all talked about how
22 those disparities have been exasperated by the
23 coronavirus. This unfortunate legacy in our
24 country's history -- well, for the universities
25 and higher education, you're not immune to that

1 legacy.

2 And I know that many universities have
3 been working diligently in recent years to
4 address racial inequity and disparities within
5 your schools, faculty, staff, and students.
6 Unfortunately, we know that those inequities
7 continue to exist, even in a virtual world where
8 students are harassed even on a Zoom meeting by
9 -- I believe at Penn State -- when a racist Zoom
10 bomb happened during a Black Caucus meeting.

11 What -- if you can each share with me
12 one thing that you are doing differently this
13 year to address racial inequities in your school,
14 one thing that you're investing in differently
15 this year, given your history of doing that work
16 for many years in the past, what are you doing
17 different and how are you investing differently
18 to bring about racial justice in higher education
19 your schools?

20 DR. ENGLERT: Representative Bullock,
21 first of all, I want to put my Temple mask on for
22 just a second.

23 REPRESENTATIVE BULLOCK: Yes.

24 DR. ENGLERT: And say thank you for
25 wearing your Temple mask. And thank you for

1 everything you do. You're just -- we're so proud
2 of you as a Temple alum.

3 One thing that we're doing -- and of
4 course Temple University operates on many levels
5 addressing what you just said. But we initiated
6 a few months ago what we called an anti-racism
7 initiative. We put a million dollars into it,
8 and that initiative had a number of components,
9 components such as beefing up our Department of
10 Africology and African-American studies, adding
11 four faculty members there.

12 It also had the formation of an
13 anti-racism research center, which we're
14 building. Also, some bridge programming with
15 local community summer programming. Also beefing
16 up other parts of the University in addressing
17 racism and all of its ugly forms. Looking at
18 what we're doing in the classroom in ways in
19 which our regular classes can help that
20 initiative. So we're firing on many levels, but
21 thank you for the question.

22 It is so important. It is such an
23 important question, and our students are truly,
24 truly engaged. And I'm just so proud of our
25 students and how they're looking for

1 opportunities to further this initiative.

2 DR. GALLAGHER: I've been sitting here
3 struggling with your question because of the one
4 part of your question, which was pick one. So
5 I'm going to use a trick to answer this.

6 REPRESENTATIVE BULLOCK: I think that's
7 what he did.

8 DR. GALLAGHER: One of the things that I
9 think really was the big eye-opener this year was
10 we went through both the social and racial
11 justice discussions, but also everything that the
12 pandemic uncovered. It was not only how far we
13 had to go to live up to our own ideals at
14 universities, right, you know, we pride ourselves
15 as being engines of opportunity. And we want
16 everyone who's in our campus to have that
17 opportunity and feel welcome and to achieve the
18 same outcomes.

19 And when we looked at ourselves
20 honestly, we were not there yet. But the other
21 thing we noticed was that -- and this, for
22 Pittsburgh, was kind of an interesting thing. We
23 take great pride in the role that Pitt has played
24 in transforming Pittsburgh. But it was also very
25 clear that that benefit was uneven. The City of

1 Pittsburgh has some of the largest inequities in
2 health outcomes and child mortality and also in
3 economic outcomes by race of almost any peer city
4 in the United States. So the main thing we're
5 doing differently -- this is my answer -- is
6 we're holding ourselves accountable.

7 So we've put up a dashboard that
8 identifies in graphs and shows both our goals and
9 all of our numbers, whether it's minority
10 business purchasing in our contracting
11 activities, our activities with the community,
12 the demographic makeup of our faculty, staff, and
13 students by school -- it's searchable -- we think
14 that maybe the most important thing we do -- so
15 we're not looking at ourselves 10 years from now
16 saying, gee, we're still not living up to it --
17 is to put a mirror in front of us that really
18 just lays it out and constantly reminds us of the
19 things we have to achieve. Because I think when
20 you measure it, we'll manage it and make the
21 progress.

22 So that's my trick to get to your great
23 question. Thank you.

24 DR. BARRON: So on June 10th, I
25 announced eight different directions for Penn

1 State that ranged everything from policing,
2 community, the classroom, mentoring, recruiting.
3 I think one of the more profound outcomes was
4 that I asked the faculty and the students to lead
5 the effort and the directions and to come up with
6 recommendations to the President. And at the
7 same time, I had my Board accomplish a special
8 subcommittee on racism and bias to oversee that
9 from a board perspective.

10 So I sort of placed myself in the middle
11 of a sandwich with a whole set of goals, but what
12 this one select commission came up with is
13 focused on the motion of having this become a key
14 part of our mission in education and scholarship.
15 And there were several items that they placed
16 there, but I will say that what we did with the
17 student code of conduct, the select commission,
18 policing are all on a web page
19 actiontogether.psu. So you could look at the
20 full list of things that Penn State has been
21 doing without having me to just pick on.

22 Thank you.

23 REPRESENTATIVE BULLOCK: Thank you.

24 DR. ALLEN: So Lincoln exists because of
25 the racial history in this country. And I think

1 one of the things that this year and all of the
2 thing that hit us at one time, so the Black Lives
3 Matter marches, the sort of real visual police
4 injustice that we witnessed, the disproportionate
5 effect of COVID on communities of color, just
6 reminds us although we've come a long way, we
7 still have a long way to go.

8 I think the thing that's going to be
9 important for us at Lincoln University -- and I
10 get it from a table book I have. It's called
11 Lest we not Forget, right, because that history
12 is really important. And at some point, things
13 can go along those lines -- we can go along as a
14 country with many things just under the radar,
15 and then all of a sudden certain things just sort
16 of hit a crisis point. And I think we hit that
17 crisis point again. And one of the things we
18 have to remind ourselves is that it's not the
19 first time we hit a crisis point.

20 And so what do you do to try to reduce
21 the probability that those crisis points will
22 keep finding themselves in our society? And one
23 of the things that we do is that we continue to
24 remember that we still have work to do. And so
25 on our campus, it just really reminds us of the

1 importance of engaging themselves in that, so
2 they can be like some of the forefathers and
3 mothers of Lincoln who actually went out into the
4 world and literally changed the courses of
5 society. So I always have to go back to Thurgood
6 Marshall and his eloquence in front of the
7 Supreme Court arguing *Brown v Board of Education*
8 and how fundamental that was to changing the
9 structure of public education in this country,
10 and to say to my students today, and we still
11 need our new Thurgoods.

12 There's still so many more issues of
13 racial injustice that need that kind of eloquence
14 and passion and experience to actually move our
15 own democracy along. So I'm reminded that as a
16 historically black college, we continue to play
17 an important role of educating individuals who
18 can go out into the world and sit at the table
19 and really help to make change in society, and
20 that we have to continue to be very deliberate
21 about raising those conversations on our
22 campuses, getting our students involved because
23 the conversation has to continue. And it has to
24 be consistent if we're ever going to see
25 long-term change.

1 So thank you.

2 REPRESENTATIVE BULLOCK: Thank you very
3 much. Thank you for your long-term commitment.

4 Thank you, Mr. Chairman.

5 MAJORITY CHAIRMAN SAYLOR: Next
6 questioner is Representative Jim Struzzi.

7 REPRESENTATIVE STRUZZI: Thank you,
8 Mr. Chairman. And good afternoon to each of you.

9 I am also a Pitt graduate, but I also
10 represent Indiana Count, and I have the
11 University of Indiana County within my district.
12 So as we're talking about budget appropriations
13 here today and the requests that collectively all
14 four of your universities and systems have asked
15 for is a \$700 million budget appropriation. And
16 across the board, all of you have asked for an
17 increase to the total of \$43.7 million. And
18 again, at a time that I believe in this budget we
19 are level funding the State System.

20 And so, as I've said to you in previous
21 hearings, it very much concerns me that we have
22 created an unlevel playing field when it comes to
23 supplementing tuition costs and the battle
24 between universities within this Commonwealth for
25 a diminishing amount of students. But with that

1 said, you are requesting this budget
2 appropriation. I'd like to know -- and I think
3 the taxpayers would like to know -- how this
4 investment in higher ed translates to economic
5 impact within this Commonwealth, and more
6 concisely, economic impacts and social impacts
7 within the areas where your universities are
8 located.

9 And I think, you know, my colleague from
10 Philadelphia kind of went down this path. And
11 I'd like you to expound on that a little bit more
12 to really demonstrate to Pennsylvania taxpayers
13 how this budget appropriation helps Pennsylvania.

14 Thank you.

15 DR. BARRON: So I can begin, if you
16 like. First of all, the appropriation in our
17 case defrays the cost for an in-State student.
18 We double what you give us in terms of the
19 difference of out-of-State students and in-State
20 students. So essentially, there is an even
21 greater subsidy there. And whatever increase we
22 get certainly has that impact.

23 Many, many people say that the greatest
24 impact of a university, in terms of economics, is
25 the day you graduate students. I have about

1 50,000 Pennsylvania residents. That's
2 significant to have a Penn State degree, to have
3 a degree from a top 1 percent university in the
4 country. They go get good jobs.

5 Right now, I rank in the top five of
6 where corporations come to recruit in the country
7 among all universities. And I work hard to be
8 very conscious about costs. Right now, I'm
9 seventh in the nation in terms of over the last
10 decade not increasing tuition. So that State
11 appropriation becomes incredibly important in
12 supporting those Pennsylvania residents and
13 making sure they get a world-class degree and are
14 recruited by corporations.

15 But in addition to that, I have an
16 economic development hub, Invent Penn State hub
17 in 21 locations in the State of Pennsylvania. I
18 have an economic development hub within 30 miles
19 of 96 percent of the population of Pennsylvania.
20 Over the last five years that I've developed this
21 program, literally hundreds of start-ups in
22 Pennsylvania. Thousands of cases where residents
23 have come in because this isn't just for Penn
24 Staters. This is for community members, staff,
25 faculty, students, literally thousands have come

1 in our door to get advice on how to make their
2 bakery successful or how to launch an engineering
3 project into a corporation, and alone creating
4 hundreds of jobs in the State of Pennsylvania.

5 So I very much believe in living the
6 land grant mission in Pennsylvania. We're here
7 in service to society. That is traditionally
8 always been educating the citizens of the
9 Commonwealth, but we also do ag extension to
10 promote economic development, and we're in every
11 single county in the State of Pennsylvania. And
12 increasingly, we're doing economic development in
13 the State of Pennsylvania.

14 DR. ENGLERT: And at Temple University,
15 we also doubled the value of the appropriation.
16 You give us an appropriation of roughly \$158
17 million, and we do discounts to -- up to --
18 Pennsylvania residents totalling 300 and -- over
19 \$320 million. So we actually double it, as does
20 my colleague at Penn State.

21 But also, we do regular studies, bring
22 in independent analysis. E-consult does an
23 analysis of economic impact on the State. And
24 our economic impact from both our hospital health
25 system and our university totals \$9 billion. And

1 that is the number of cascading effects of
2 everything that happens in terms of purchasing
3 power and other types of bringing research
4 dollars into the Commonwealth, bringing donor
5 dollars into the Commonwealth, et cetera.

6 In addition, don't want to overlook the
7 research that our institutions do. The kinds of
8 research, for example, just in the research on
9 COVID, you know. We had \$30 million of research
10 on COVID going on, another \$33 million that is
11 still in process, and another \$15 million that's
12 in development. All of that has an effect on
13 Temple University, the kinds of research we do,
14 including clinical trials in our health system
15 and in our medical school.

16 We have over 30 clinical trials going
17 on, another 33 that are pending. But in so many
18 ways -- in so many ways, both direct financial
19 and indirectly, we support the Commonwealth. We
20 take seriously the public purpose of our public
21 mission, and that is to serve the Commonwealth,
22 to serve our regions and each of us has just an
23 enormous impact on the Commonwealth and our
24 region.

25 DR. GALLAGHER: So I've been thinking

1 about -- there are a lot of ways to answer the
2 question. And I think one of the classic ones is
3 to give you the economic impact number for a
4 university like Pitt. And it's almost so big, I
5 think sometimes people just don't buy it, right.
6 It's about \$4 1/2 billion a year is what we
7 estimate when we look at all economic impacts
8 from employment formation, so forth.

9 But I think maybe another way to do this
10 -- and I think this is really vitally important
11 because the value proposition of the
12 State-related universities, which are different
13 from so many other things that the State supports
14 do have an aspect to them that I don't think the
15 other systems -- and I'm hesitant saying this,
16 knowing that IUP is right in your district. The
17 highly selective research-intensive universities
18 do play a special role for states in driving
19 economic growth. And I think it comes down to
20 the growth -- the high growth parts of the
21 economy are fueled by talent and ideas.

22 And I'll give you an example, health
23 sciences. The United States has made one of the
24 largest sustained investments in any one area of
25 science that any country has ever made in the

1 history of human kind. We began doubling the
2 NIH, which was already the largest. And we have
3 sustained that level of investment all of this
4 time. It is utterly transforming, our
5 understanding of biology and human health. And
6 in fact, we're seeing it, right, these COVID
7 vaccines, as much as we are anxious to have them,
8 there's never been a vaccine development as fast
9 in human history.

10 No state in the union has more health
11 science capacity than Pennsylvania. And this is
12 pre.com. The companies that we're talking about
13 are not the old chemical pharmas. They're these
14 new companies that will produce and provide the
15 therapeutics and all the health services, whether
16 they're data or whether they're biologic. If
17 Pennsylvania isn't the Silicon Valley of that new
18 economy, we've really messed up.

19 And I think what these universities can
20 provide is the ability to attract talent. These
21 out-of-State students that come here, a quarter
22 of them are staying in Pennsylvania. The experts
23 that we attract to our region, the companies that
24 want to be here because they want to collaborate
25 and use our research. I think that we're at a

1 tipping point. We're seeing it in Pittsburgh.
2 It's emerging as one of the leading emerging life
3 science markets. That's not an accident. I
4 think we would love to work with you to find out
5 how do we sort of exploit that because then it
6 makes the value proposition, that ROI that every
7 taxpayer deserves, much more compelling.

8 DR. ALLEN: I think that was a great
9 answer. So yeah, we're small, relative to my
10 colleagues, but we have a mighty impact on where
11 we are. So we are the largest employer in
12 southern Chester County. And so we provide jobs
13 to some -- and we're the major economic engine in
14 that region, and that's important.

15 I think one of the things we don't talk
16 about enough from Lincoln University is the real
17 world impact that our Philadelphia facility has
18 for adults -- for adult learners. So at our
19 school for adult continuing education, primarily
20 working people from the Philadelphia and
21 surrounding areas come back to complete a
22 baccalaureate degree or they come in to get a
23 master's degree in education or business or human
24 services. That facility really provides an
25 avenue and a modality for working adults to be

1 able to get the retooling that they need.

2 So as this economy continues to change
3 and rapidly changes through the science and
4 technology, having an outlet for adults to be
5 able to keep pace with that becomes very
6 important, I think, for again, creating the kind
7 of workforce that really supports the State.

8 REPRESENTATIVE Struzzi: Thank you. And
9 thank you all for being here in person.

10 Thank you.

11 MAJORITY CHAIRMAN SAYLOR: Our next
12 questioner is Representative Steve Kinsey.

13 REPRESENTATIVE KINSEY: Thank you,
14 Mr. Chairman. And I want to thank each of you
15 presidents for being here this afternoon.

16 I want to follow up on one of my
17 colleagues -- I believe it was Representative
18 Zimmerman who talked about -- he asked a question
19 about -- I think it was related to staffing loss
20 due to COVID. And I believe that some of you may
21 have answered that there were -- maybe President
22 Barron had mentioned that.

23 I guess my question is, to take my
24 colleague's question further, are there planned
25 layoffs? I mean, we recognize that we still are

1 in the midst of dealing with this pandemic. We
2 recognize the impact that COVID has had on each
3 of your universities. We recognize that each of
4 you had to go into a hybrid-type form of teaching
5 our future generations. But by the same token,
6 we recognize also that there are some costs
7 affiliated with COVID and some lost revenue.

8 So my question is, are there planned
9 layoffs in the future at each of your
10 universities?

11 DR. BARRON: So I do not have planned
12 layoffs. Some of the stimulus funding that is
13 still yet to be decided could have a significant
14 positive impact on us, but we have two anchors,
15 really, in terms of our budget. One of those is
16 the State appropriation. And I echo my colleague
17 on how fortunate we are and how thankful we are
18 that we had the funding this year, that we knew
19 ahead of time. And the second is the tuition we
20 generate.

21 And so right now, we had about a 1.6
22 percent drop in our student population because of
23 COVID. We now, right now, are having record
24 applications. We're about 12,000 ahead of last
25 year. We had more than 100,000 undergraduate

1 applications so far for the year. This is not
2 unusual for institutions that are highly ranked,
3 like those sitting at the table here today. A
4 lot of those students are sitting on the fence
5 because they can't visit, they can't do some of
6 the other things. But we have a growing
7 confidence that we will have our enrollment.

8 If we have our enrollment and we have
9 the State appropriation, then we see our way
10 clear in our budget to maintain our enrollments,
11 especially as, I think, vaccines come online and
12 more and more people have immunity, people have
13 more and more confidence about gathering at
14 universities again. So we have growing
15 confidence that this is a painful blip, but that
16 we're on our way back.

17 REPRESENTATIVE KINSEY: Temple
18 University?

19 DR. ENGLERT: Yes, Temple University.

20 First of all, originally, when the
21 pandemic hit, we actually put together and asked
22 the schools and colleges to put together furlough
23 plans. Fortunately, we never had to flip the
24 switch to implement them. The way we work for
25 our budgeting is we use a decentralized budgeting

1 model. We call it RCM. And the responsibility
2 centered management that we use, each school or
3 college every year, forget about the pandemic,
4 but every year makes adjustments in its budget
5 based upon its enrollment rises or falls in
6 certain programs or whatever.

7 So each -- each department -- and we'll
8 work with its school or college in terms of what
9 are its hiring needs for the next year. And that
10 is how RCM actually takes enrollment, which
11 provides the revenue, and translate that into
12 what kinds of dollars can we spend?

13 REPRESENTATIVE KINSEY: I appreciate
14 that.

15 DR. GALLAGHER: Yeah, I was going to --
16 that's a great question. And I would be candid
17 with you and say when this pandemic started, I'm
18 not sure I could have answered the crystal ball
19 question because we didn't know what shocks. I'm
20 really quite optimistic now that, you know, no
21 layoffs are going to be required or no furloughs.
22 And I just want to qualify that by saying it's an
23 interesting thing to say because -- but I have
24 two reasons for being confident. One is the
25 fundamental shifts in demand that we were all

1 worried about didn't materialize, in particular
2 for, as President Barron said, these
3 highly-selective, highly-ranked universities.

4 REPRESENTATIVE KINSEY: Right.

5 DR. GALLAGHER: That was unexpected.
6 It's -- if you read the papers, you certainly see
7 there are parts of the higher education landscape
8 that are being fundamentally reshaped by demand.
9 But the other part is interesting, which is the
10 -- what our employees, our faculty and our staff,
11 have learned to do in terms of flexibly redoing
12 their work. It has given us great mobility
13 within the workforce.

14 If you think how disrupted work was and
15 how many tasks couldn't be done when we closed
16 campuses, you know, the only way we could
17 accomplish this was by having people basically
18 rethink, you know, how they work. And this
19 internal -- this is going to create a lot of
20 internal mobility. So even though we're doing a
21 lot of things and will be doing a lot of things
22 to achieve efficiencies and refocus our programs
23 as we come out of the pandemic, I think that
24 through this sort of mobility and through natural
25 attrition, there is no need for involuntary

1 furloughs or layoffs.

2 REPRESENTATIVE KINSEY: Great. I
3 appreciate it.

4 DR. ALLEN: I just echo that we have no
5 plans to lay off or furlough anyone in this
6 academic year. And I'm highly optimistic for the
7 next academic year. I think I have to be, but so
8 far, we're just looking forward -- get ourselves
9 through this one and then we'll move on to the
10 challenges of '21-'22.

11 REPRESENTATIVE KINSEY: Great. Thank
12 you. I know that -- I know that the red light is
13 on, so I just want to make a comment if I may,
14 Mr. Chairman.

15 Part of the reason I ask that question
16 is because I had an opportunity and before I
17 begin, President Barron, I know last year we had
18 a brief conversation in regards to African
19 American professors, specifically at Penn State
20 University. And just recently, I started reading
21 a report, More Rivers to Cross, the status of
22 African-American professors at Penn State. But
23 it also leads me to believe that it's not just
24 Penn State looking at -- looking at the lack of
25 minority professors all across the Commonwealth

1 that are employed.

2 And so some are led to believe that when
3 cuts take place, it's the African-American
4 professors and faculty who would lose their jobs
5 first. But to hear you say that there are no
6 planned cuts, I appreciate hearing that. And
7 President Barron, I do want to follow up with
8 you, again, some time in the future. We got hit
9 with COVID after last year's budget, so we didn't
10 really get a chance, but I appreciate your
11 invitation to come to Penn State and have a
12 conversation as it relates to African-American
13 professors and look forward to doing that again.

14 Hopefully once we get through this
15 pandemic, but I just really -- Mr. Chairman, I
16 just really wanted to highlight the need and
17 concern that has been brought to my attention
18 with regards to the lack of diversity, especially
19 among professors. And again, not particularly at
20 these particular universities, even though the
21 author was a Penn State professor, but all across
22 the Commonwealth. And as we look at, you know,
23 the student population become more diverse in
24 some cases, there's a question as to whether or
25 not the faculty is on pace with the diversity of

1 the students that are coming into the University.

2 So if there's an opportunity for a
3 second round, Mr. Chairman, I'd like to come back
4 and discuss some additional questions. But thank
5 you all for being here.

6 MAJORITY CHAIRMAN SAYLOR:

7 Representative, we'll put you on for the second
8 round.

9 With that, we will move to Natalie
10 Mihalek.

11 REPRESENTATIVE MIHALEK: Thank you,
12 Mr. Chairman. And thank you all so much for
13 being here.

14 I've got to tell you, it's really nice
15 to see human beings in those chairs instead of
16 just looking at the screen. So thank you all for
17 making the trip. I wanted to follow up on
18 Representative Struzzi's question, and I wanted
19 to follow up specifically with you, Chancellor
20 Gallagher, on the University of Pittsburgh.

21 Can you speak to the unique nature of
22 Pitt as a public research university -- it's one
23 of the top biomedical research institutions in
24 the nation -- and really, how that capability as
25 a research institute positions it to be a top

1 economic driver across the Commonwealth?

2 DR. GALLAGHER: Right. I would be happy
3 to. Thank you.

4 I have to say coming here was great for
5 me, too. This is my first real haircut in a
6 year. First time I saw the barber. And so it --
7 and I think this is the first time in my suit.
8 And I was worried it wouldn't fit. I'm actually
9 glad to see all of you, as well.

10 Yeah, I -- you know, it really is one of
11 the unique features of the State-related
12 universities here. And of all of the things that
13 are in the State's portfolio, here are these
14 really flagships, highly ranked and
15 internationally recognized leaders attracting, in
16 the case of Pitt, nearly a billion dollars a year
17 in federal R and D funding coming in.
18 Importantly, drawing some of the best scientists
19 in the world who want to come here to work. And
20 we've seen part of the impact of that already.

21 You know, I went to Pitt in the late
22 '80s, you know, sort of the tail-end of the end
23 of the heavy manufacturing era, but the plants
24 were still there. And the discussion that was
25 happening in the area was about this

1 transformation from heavy manufacturing to eds
2 and meds. And in some ways, I think Pittsburgh
3 is maybe one of the best poster children of that
4 transformation.

5 But what I think is really important to
6 understand is, it's only a partial
7 transformation. The economy in Pittsburgh right
8 now certainly has the hardest thing to build,
9 which is this R and D capability that the
10 students and the faculty, incredibly
11 entrepreneurial. The tech transfer output of the
12 University is setting new records every year, you
13 know, nearly 400, you know, patent disclosures,
14 15 to 20 start-up companies a year, all the kinds
15 of things you would want to see.

16 It is certainly, in the case of the
17 health sciences, generated a health care
18 industry. And everyone knows about the giant
19 health care providers in the region and the
20 nurses and doctors and hospitals. What's not
21 there yet is this commercial part, these
22 knowledge-intensive companies that are also R and
23 D intensive, the ones that would be making new
24 vaccines or treating COVID or new tests or new --
25 and those -- those technologies need to be close

1 to this research enterprise.

2 And the only thing that's missing is
3 creating that attraction and that mixing zone, so
4 that they can interact. And it's starting to
5 happen, but I think that's really going to be the
6 key story. As one, I think this sector is going
7 to see real growth. We're coming out of,
8 certainly, the biggest health crisis we've all
9 lived through, and I think in multiple
10 generations. I think, as I said, the science has
11 poised us, you know, to be ready for this.

12 It's -- one interesting point is that,
13 you know, the Brookings Institution about three
14 years ago did a study looking at the Pittsburgh
15 region initially and looking how competitive it
16 is. It is an innovation center, an Innovation
17 Hub, an anchor for this kind of vibrant
18 commercial success. And it compared that region
19 -- and this could probably be done for other --
20 for our regions, as well. In fact, I believe
21 Philly was doing a similar study right after
22 that, that said, look, in terms of some of the
23 things like research dollars per capita, number
24 of Ph.D.s and research, you know, the talent pool
25 per capita, Pittsburgh was at the top of that

1 chart of 30 major metropolitan areas that they
2 compared us to.

3 But when it came to GDP growth and job
4 growth, we were near the bottom. It was like a
5 car with this incredible engine and no
6 transmission. And the question was, what was
7 missing? And the missing thing was those
8 companies have to be close to these universities,
9 that high proximity environment. So I think this
10 is about being more collaborative. This is
11 about, you know, targeting the State's own
12 economic activities to leverage what you have in
13 the State, which I think are the State-relateds.

14 And if we do that, this question about,
15 is the State's investment that you've made here
16 worthwhile, I think, just becomes fully realized.

17 REPRESENTATIVE MIHALEK: Thank you for
18 that. And I wanted to just quickly address this
19 because it's been reported in the media. I've
20 certainly heard it spoken about in the Capitol,
21 and I know you were asked about this at last
22 year's Appropriations meeting, but has any final
23 decision by the Board been made on the fossil
24 fuel divestment?

25 DR. GALLAGHER: No, but it's on their

1 agenda Friday. So yes, this question has been
2 before the Board in various forms for a number of
3 years, obviously, an area of intense interest by
4 students, faculty, staff, the region. It's one
5 of the areas where I think, you know, there's
6 incredible demand for the University, again, to
7 live to its ideals and be responsible.

8 The question about what that means from
9 the investment side has been raised and the Board
10 determined that it had reached a threshold
11 criteria. A special ad hoc committee has met
12 together to gather public input. They met for
13 months and have listened to testimony from
14 experts. That report has now been published and
15 will be before the Board Friday, so no decision
16 is yet made.

17 REPRESENTATIVE MIHALEK: Thank you so
18 much.

19 MAJORITY CHAIRMAN SAYLOR: Next is
20 Representative Peter Schweyer.

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

23 Good afternoon all four of you. Thank
24 you so much for joining us again.

25 Dr. Barren, this is where I'm going to

1 represent the Penn State Democratic Caucus and
2 say hello to you on behalf of all of us that are
3 proud Nittany Lion alums. Kinsey is behind me
4 making fun of me right now, but that's all right.

5 But Dr. Barren, you have a program, the
6 Invent Penn State. In Allentown in my district,
7 we have a LaunchBox that's headquartered in my
8 district, which has been incredibly helpful. And
9 Dr. Gallagher, as you were just talking about the
10 economic impact of Pitt, how you're trying to
11 bring together your community partners, the
12 businesses near your campuses, we've heard from
13 many of our colleagues talking about that. We
14 really are very interested, not just in the
15 product that all four of you are producing in
16 terms of your educated students, but also how
17 you're continuing to help us with economic
18 development across the Commonwealth, especially
19 as we're trying to get out of these incredibly
20 difficult times.

21 I mean, we all know the financial crunch
22 that you're all under, that we're all under as a
23 Commonwealth. And we're going to be able to --
24 we're going to need to continue to invest in the
25 economies around the entire -- the entire

1 Commonwealth. So can you all touch upon a little
2 bit more about what each of your universities are
3 doing to bring jobs back, outside of just the
4 university itself, if that makes any sense?

5 DR. BARRON: Yeah. So when I came in
6 the door, I looked carefully at our role in
7 economic development of the communities. And as
8 Chancellor Gallagher had said, a typical thing is
9 to talk about your number of how your -- the
10 dollars that come into your university are
11 magnified in the community. But one of the
12 things that I was thinking about was the fact
13 that here's Penn State with an extraordinarily
14 rich research environment.

15 Last year, we crossed rich expenditures
16 of a billion dollars for the first time in our
17 history. For three years in a row, no university
18 has had more top 10 stem fields than Penn State
19 in terms of research expenditures. And in
20 critical areas like materials, the materials
21 engineering, we rank number one in those
22 particular fields. Yet we were 62nd in getting
23 our intellectual property into the market.

24 So our first thought was to begin to
25 drive -- work to drive the economy, the rich

1 research of Penn State to get those ideas in the
2 marketplace. We did those by creating different
3 faculty recognitions, by having intellectual
4 property fairs, which is -- has been extremely
5 successful, a Penn State branded investment
6 operation that allows our alumni and friends to
7 provide start-up funds and second stage
8 investments into to the ideas that are coming out
9 of the University.

10 We created entrepreneurship miners in a
11 large number of our majors. It was something
12 that was very organic. Our students are involved
13 in a wide number of university-wide competitions
14 that include all of our Commonwealth campuses as
15 well as University Park. And then a critical
16 part of it was actually -- took place at a
17 physical structure, an Innovation Hub or what we
18 call an Invent Penn State location at 21 sites,
19 all associated with campuses.

20 With a few exceptions, they are not on
21 campus. And I asked that they not be on campus.
22 They need to be in the communities. Our
23 chancellors need to be involved in the
24 communities. We need to be in our communities
25 helping to promote economic development. And so

1 more than 3,000 entrepreneurs assisted, just to
2 give you an idea, in the last five years. So
3 something that's extremely successful. And I
4 will say, for COVID, we began to pivot to how to
5 help make sure the businesses would survive and
6 thrive in a COVID-related environment, but
7 literally, we look at this economic development
8 extension the same way we think about ag
9 extension. And so we're just now going through a
10 review of the five years of LaunchBoxes to see
11 which ones have been particularly successful,
12 which ones have needed to pivot.

13 We have a number of entities within our
14 State that have endowed them because they
15 recognize the value of having -- having these
16 economic development centers in their
17 communities. We were fortunate enough to have it
18 be in the budget to support, matching dollars for
19 what Penn State is putting in in economic
20 development for LaunchBoxes last year. COVID has
21 made that a little difficult, but I'm hoping we
22 will get to the point once again where the
23 Commonwealth matches what Penn State is trying to
24 do in all of the communities around the State.

25 REPRESENTATIVE SCHWEYER: That's very

1 helpful. Thank you.

2 DR. BARRON: Thank you.

3 REPRESENTATIVE SCHWEYER: I'm going to
4 ask a similar question, Dr. Allen. I don't know
5 that we've heard today, although I know that
6 you're doing a tremendous amount with the
7 surrounding communities and neighborhoods and
8 entrepreneurial development. Can you expand a
9 little bit more on some of the things that your
10 university is doing to, again, help us move
11 forward as we recover from an economic standpoint
12 from the COVID pandemic.

13 DR. ALLEN: So unlike my colleagues, we
14 don't have large research and development
15 centers, but we do our part in creating some
16 economic development in our own area. So our
17 existence -- first, I think there's a level of
18 even keeping the businesses in business, the ones
19 that are in our local community. And so our
20 campus has a real big presence in making sure
21 that the local businesses thrive. And so as we
22 opened up our school, even though our campus is
23 closed to most people, other than those who live
24 on campus, we made it a way so that certain kinds
25 of businesses in the area could get access to our

1 students, so delivery from Walmart, delivery from
2 the local restaurants. That might seem like a
3 small thing, but you know, when that's your
4 business in your area, it became very important
5 because we are -- we have the largest population
6 there.

7 We -- we are in the process, though, now
8 and are really thinking about how to use our own
9 land as a way to help to stimulate some of the
10 economic development in our area. So we have 422
11 acres overall. We only use about 100 for the
12 education. We have a good, about a 100 acres
13 that's contiguous right across the street from us
14 that could be a real great economic engine for
15 the State and especially for the area. So we're
16 in the process of really working with our Board
17 to try to figure out what would be the best kind
18 of industry to attract there, given other things
19 that are going on in the State, but especially
20 what are the needs in those areas.

21 And then finally, we have a really
22 growing and budding entrepreneurialship program.
23 So as we open up a building that's been closed
24 for a while, a big part of that is an
25 entrepreneurial cafe. I had never heard of it

1 before. I thought it was a real cafe, but pretty
2 much what they serve up is not coffee, but they
3 serve up ideas. And so we're really working with
4 our students to actually think very creative
5 about what they can actually bring to the
6 forefront to actually also work as an aspect of
7 stimulating the economy. I know that there are
8 lots of conversations around the State about
9 things like hemp and the use of hemp for
10 medicinal purposes, you know, how might we use
11 our space and our land to be involved in that as
12 an economic driver -- is also among some of the
13 questions that we're talking to each other about
14 and speaking with our Board about.

15 But thanks for the question.

16 REPRESENTATIVE SCHWEYER: Great. Thanks
17 so much. I just will close very quickly by
18 saying I think it's going to take all of the
19 above, big efforts, small efforts in all of our
20 communities to be able to help us get out of it.
21 So I appreciate all four of your universities
22 being part of the solution.

23 Thank you.

24 DR. ALLEN: Thank you.

25 REPRESENTATIVE TOPPER: The Chair thanks

1 the gentleman and recognizes the gentleman from
2 Chester, Mr. Lawrence.

3 REPRESENTATIVE LAWRENCE: Thank you,
4 Mr. Chairman.

5 And I certainly appreciate each of you
6 being here today and making time out of your
7 schedules. I know you're all very busy.

8 And President Allen, it's fantastic to
9 see you here today. As the State Representative
10 for the greater Lincoln University area, it's
11 wonderful to have you here today. I'm really
12 glad to see you.

13 I was wondering, President Allen, if you
14 might speak a little bit about the
15 transformational gift that Lincoln received late
16 last year from MacKenzie Scott? She donated \$20
17 million to the university, which I believe is the
18 largest donation in the history of Lincoln
19 University, and that really has the potential to
20 be fantastically transformational.

21 Can you talk a little bit about how the
22 university plans to utilize these funds and what
23 the plans are for them?

24 DR. ALLEN: Thank you. And it's great
25 to see you also, Representative Lawrence.

1 So yes, we were fortunate enough to
2 receive a \$20 million gift from Mackenzie Scott.
3 For Lincoln, it is the largest gift from a single
4 donor in our history. So that's really great.
5 It's even better to get it at this moment in
6 time.

7 One of the things that's sort of hard to
8 help people wrap their minds around, though, is
9 that, you know, that can't be our rainy day pot
10 of money, that we have to continue to be as
11 prudent in our finances as we are as we get
12 through this pandemic because part of what that
13 gift is designed to do is to make sure that we
14 can sustain the legacy going forward.

15 So within our strategic plan, we have
16 three really high priorities. One is really
17 enhancing the academic quality. That means more
18 investment in our faculty and staff, especially
19 with regard to research. I would have to say,
20 for example, though, some of the greatest
21 opportunities that our faculty have to engage and
22 to reengage their research is coming through
23 partnerships that we have right now with Penn
24 State and with Temple. And so that's been just a
25 really great relationship to build.

1 But we're also in great need of
2 expanding the number of faculty. One of the
3 things that really matters in offering liberal
4 arts education is that the faculty you have have
5 the time and ability to engage in their teaching
6 and their scholarship. And when your faculty is
7 small but your student population is growing, you
8 quickly run out of balance there. And so
9 expanding the number of faculty so that we could
10 bring better balance to the teaching and research
11 duties of our faculty as a part of that.

12 Second is some of the stuff we talked
13 about today, and that is closing that financial
14 gap for our students. So even for the students
15 who receive every bit of aid and support from the
16 State and the federal government, they still have
17 a gap between the cost of attendance and
18 everything that they can receive. And this is
19 especially a problem for students who come from
20 families where there is zero expectation of
21 family contribution because they just don't have
22 the resources.

23 So at Lincoln, nearly 50 percent, I
24 think, of our students come from families whose
25 annual income is \$40,000 or less. So when we

1 think about closing the gap for those students,
2 having the kind of scholarship grant to meet the
3 unmet need really becomes important. So part of
4 that gift will be put towards creating an
5 endowment so that we can continue to offer these
6 need-based scholarship funds.

7 And finally, investing in some of the
8 experiential learning that becomes really
9 important for post-graduation success. So we
10 know, for example, for every student who does an
11 internship, they're 14 or 15 percent more likely
12 to land a job right after graduation. So making
13 sure that our students have internship
14 opportunities, that they are engaged in
15 undergraduate research, that they have
16 opportunities to study abroad as we really
17 understand that we are global citizens.

18 This pandemic opened that up to us as
19 well so we know that we are a part of the world,
20 so our students have an opportunity to do that
21 really becomes very important. And so as we look
22 at those three priorities and we look at the \$20
23 million, it will help us to scale up very -- more
24 quickly our investments in those things for our
25 institution.

1 REPRESENTATIVE LAWRENCE: Well, I
2 appreciate that answer. And again, I appreciate
3 your continued leadership at the University. I'm
4 sure you know this, but you have a great deal of
5 support from the community. Faculty, I hear
6 regularly from, and alumni, and even the
7 students; and all four of them can be a tough
8 group to get on the same page sometimes. So
9 appreciate the good work you're doing.

10 Thank you, Mr. Chairman.

11 DR. ALLEN: Thank you, Representative.

12 MAJORITY CHAIRMAN SAYLOR: The Chair
13 thanks the gentleman and recognizes the lady from
14 Philadelphia, Miss Cephas.

15 REPRESENTATIVE CEPHAS: Thank you,
16 Chairman. And good afternoon to you all.

17 So first and foremost, I just want to
18 thank you for all that you're doing in this
19 difficult time. Prior to COVID-19, the academic
20 community was already experiencing some economic
21 downturn, low -- low rates with students coming
22 to these higher institutions and to add a
23 pandemic onto it makes it even more difficult.
24 So I thank you for just becoming innovative and
25 getting creative and maintaining students'

1 ability to have access to, you know, getting
2 degrees and being able to move along the economic
3 spectrum. So I thank you for that level of
4 invasion.

5 My questions are centered around testing
6 for both your students and your faculty. And my
7 apologies if this question has already been
8 asked, but can you specifically talk to how each
9 one of your universities is going about testing
10 to ensure that both families and faculty feel
11 safe once they return to campuses?

12 And the reason why I ask that question
13 is because I myself have a university that sits
14 in my backyard, St. Joe's University. And it
15 truly is -- it's the largest employer in my
16 district. It's truly an economic engine for the
17 area. And to ensure that they have students
18 return and that they continue thriving is
19 extremely important for our local economy.

20 So can you talk to your strategy around
21 testing for students? Is this something that is
22 going to be done continuously? Is it going to be
23 a requirement for students and faculty?

24 Can you just speak to those issues?

25 DR. ENGLERT: Thank you, Representative.

1 Let me tell you what Temple University is doing.

2 We have a very, very aggressive testing
3 program that permits us to test up to 20,000
4 tests a week.

5 REPRESENTATIVE CEPHAS: Wow.

6 DR. ENGLERT: And what we're doing is
7 every student who is in an in-person class on
8 campus gets tested twice per week. Every student
9 living in the residence halls on campus gets
10 tested twice per week. Other students, once per
11 week. For some who don't even come on campus,
12 testing is available. And what is -- what allows
13 us to do this is an innovation that came from our
14 great Lewis Katz School of Medicine.

15 And there, Dean Daly and one of his
16 faculty members came up with the idea to have in
17 the medical school a testing analysis lab. So
18 once the tests are performed and we have it on
19 multiple locations on campus, and the tests are
20 -- samples are then sent up to the medical
21 school, which is only two miles north of the
22 campus. So we don't have travel time. We don't
23 have, you know, terrific time using outside
24 vendors.

25 We use our own medical people within the

1 lab within our medical school. They test a quick
2 turnaround and the test results -- and truly,
3 this is a real partnership within the University.
4 Our health system is involved. Our medical
5 school is involved. Our student and employee
6 health center is involved. And our computer
7 technology experts are involved because students
8 get very quick results sent to them
9 electronically. So it's an aggressive program.

10 Definitely throughout this semester --
11 and to tell you the truth, I think we're going to
12 be needing to do continued testing, not just the
13 summer. I think we're going to still need to be
14 doing testing in the fall. That's crystal
15 balling. That's just what I hear talking to
16 experts in order to provide safety for our
17 students and to allow students to return to
18 campus in larger numbers.

19 REPRESENTATIVE CEPHAS: I really
20 appreciate that answer. And I absolutely know
21 I'm going to run out of time by the time we get
22 down to Lincoln. So the only thing I would add
23 to that is, you know, not every university has
24 access to, you know, a medical institution. So
25 if you can, you know, take the innovation that

1 you're using to help support other schools that
2 don't have that access, that would be incredible.
3 And it's great that you're in Philly because I
4 can actually follow up with you.

5 DR. ENGLERT: Please do.

6 REPRESENTATIVE CEPHAS: Great.

7 DR. GALLAGHER: Let me just follow up by
8 offering for you to contact us afterwards. The
9 one thing I would tell you is that the area where
10 I see the greatest variability across schools and
11 how they handle testing is the degree of testing
12 intensity. So Pitt is actually a fairly low
13 testing intensity university compared to many
14 other -- by the way, by factors of something like
15 60. We did 60-fold less testing, but had
16 equivalent levels of virus control. And some of
17 that has to do with the peculiarities of this
18 virus. Some of it has to do with behavior.

19 In fact, sometimes people feel safe to
20 relax constraints when they've been tested. But
21 we have a paper written by some of our infectious
22 disease experts and we'd be happy to talk to you
23 about -- at least so you have access to our
24 experts and you can inform and share that
25 information.

1 DR. BARRON: And just quick numbers, all
2 students required to be tested before coming on
3 campus, 67,000 eligible. All students tested a
4 second time in the first two weeks and
5 extraordinarily low positivity rate. We've been
6 quite surprised. Walk-up testing for anybody
7 who's come in contact and feels symptoms.
8 Surveillance testing that occurs on an internal
9 lab that was just federally approved.

10 DR. ALLEN: So we test -- students are
11 tested when they get to campus. Right now we're
12 in the process of testing everyone. And
13 quarantining, we seal the bubble. We seal the
14 den, as we call it. We have been fortunate to
15 partner with Testing for America. And we now are
16 partnering with Delaware State, who was a pilot
17 program for them. They now have access to the
18 test that was created by Yale University. And
19 the State of Delaware invested in a lab for
20 Delaware State.

21 And so they reached out, and we will now
22 -- for us to partner, so we're now able to test
23 all of our campus on a weekly basis going
24 forward.

25 REPRESENTATIVE CEPHAS: Fantastic. I

1 appreciate your responses from all of you.

2 Again -- and I will close with this --
3 universities are essentially economic engines in
4 so many communities across Pennsylvania. And it
5 is just going to be paramount that we are able to
6 get this right and that we're able to attract
7 families back as well as faculty, but also having
8 a better understanding of what resources you'll
9 be needing moving forward to continue testing,
10 but also as you pivot to vaccinations on campus.

11 DR. ALLEN: Thank you.

12 REPRESENTATIVE CEPHAS: Thank you.

13 REPRESENTATIVE TOPPER: The Chair thanks
14 the lady and recognizes the gentleman from
15 Venango, Representatives James.

16 REPRESENTATIVE JAMES: Thank you,
17 Mr. Chairman.

18 Thank you to all the members of the
19 panel. It's very good to see you hear, and your
20 answers are excellent. I'm enjoying this time
21 more than any this week.

22 I'd like to stay on the medical path --
23 if I may, please -- and ask you, in any order you
24 care to respond, during these pandemic times how
25 your academic medical centers are faring, how are

1 they doing?

2 DR. ENGLERT: I can lead off, if you
3 would like. Temple University, we have our own
4 health system, Temple University Hospital. Some
5 of you may know is de facto the safety net
6 hospital for Philadelphia. Years ago,
7 Philadelphia got rid of its public hospital. So
8 Temple University is the de facto safety net
9 hospital.

10 For our patient mix, 87 percent
11 government payers. So I'm talking about Medicaid
12 and Medicare -- more Medicaid than Medicare. So
13 we serve a needy population, very much so. And
14 in many ways we were ground zero for -- we are
15 ground zero not only for opioid addiction and
16 addressing that, but also when the outbreak
17 occurred in the spring for the COVID. And the
18 hospital right away, through some renovations,
19 took one of its major wings and turned it into a
20 COVID ward and became very intensive in terms of
21 COVID patient addressing.

22 We have one of the -- the person who
23 ended up being a world expert in our lung center,
24 a Gerard Criner, dealing with literally inventing
25 treatment as he went along. And that is going to

1 explain why our mortality rates were so low
2 compared -- I think we're 33 percent below the
3 average in -- across the U.S., and I think 22
4 percent across Pennsylvania, lower than. And
5 that's because of the, literally, how they
6 prepared, what they did, how they dressed, and
7 it's just amazing.

8 It came at a cost, without a doubt; \$160
9 million and rising cost. And of course, thank
10 God for federal stimulus dollars, which helped us
11 terrifically, especially those dollars that have
12 focused on COVID-intensive health systems. And I
13 can't say enough about what our health system is
14 doing because at the same time, it serves one of
15 the most poverty-stricken areas in Philadelphia.
16 In fact, the -- one of the neighborhoods
17 literally has the lowest -- the lowest life
18 expectancies of any of the neighborhoods in
19 Philadelphia.

20 So it's a health system that has been
21 not only focused on COVID, but also has been
22 dealing with health disparities and with the
23 social determinants of health. And in fact, a
24 couple of our medical school people are working
25 with schools, trauma-informed schools is their

1 approach. So literally at the school level, they
2 begin to deal with the social determinants of
3 health. So along all those lines, it's a health
4 system that has a clear mission. It fulfills its
5 mission.

6 I want to thank the State very much for
7 the support that it gives to our health system.
8 They are doing God's work day in and day out.
9 And without the support of the State, and without
10 the support of the feds, it just could not
11 happen, but it's \$160 million and rising, though,
12 thank God for the support through the CARES.

13 DR. GALLAGHER: I can give you a quick
14 answer. So Pitt's health system isn't really
15 Pitt's. It's a separate entity. And of course,
16 let me go ahead and confuse everybody because
17 it's called UPMC. But what I would say generally
18 is the shock to healthcare systems has been of
19 two types. One, of course, is dealing with COVID
20 overload and just influence of patients. The
21 other one is ironically the opposite problem,
22 which is people deferring other healthcare needs
23 and avoiding health care, which has just
24 clobbered the revenue of so many hospitals.

25 So they're actually put into economic

1 stress at a time when we want them to be ready.
2 UPMC has weathered that actually well, in part
3 because of the size of the system and their
4 capacity to deploy and move assets and to support
5 each other. So I, you know, I'm really quite
6 impressed with how they've handled that.

7 What I would note, though, is not all of
8 our campuses are on the UPMC basin. So some of
9 our regional campuses are sitting near regional
10 hospitals, and they have certainly been hit very
11 hard. And so I think this is a real issue about
12 the sort of -- the underlying resiliency of our
13 healthcare system under these kinds of
14 circumstances.

15 DR. BARRON: So I would provide a
16 similar answer. Having to defer elective
17 surgeries that give you a different margin than
18 dealing with COVID patients, people deferring
19 their care, has certainly cost Penn State Health
20 significantly. But in my view, it's a very
21 well-managed system and they're maintaining their
22 own, despite that there was some significant
23 financial stress.

24 I think the other factor that was
25 significant was the number of employees that

1 either had to quarantine or isolate because
2 they're in the front lines. And so there was
3 another impact in terms of the significant number
4 of employees that could not come to work. All
5 those things combined to financial impact, but as
6 I said, they're managing well.

7 REPRESENTATIVE JAMES: Would each of
8 your universities be giving vaccinations, as
9 well?

10 DR. ENGLERT: Yes.

11 REPRESENTATIVE JAMES: About how many a
12 day?

13 DR. ENGLERT: Right now, we get 1,000
14 doses a day and we give 1,000 doses a day. And
15 you know, it started with, you know, the health
16 professionals and we're now doing community along
17 the lines of the guidelines from the city and the
18 State.

19 DR. GALLAGHER: Again, UPMC has been
20 doing it at great scale. Pitt itself is also now
21 an approved provider. The capacity we've built,
22 we've used it actually in collaboration with the
23 county health system to do large scale
24 community-based vaccination efforts, is in the
25 thousands per day. We think that's a great trial

1 to sort of build that capacity. So you know,
2 we'll put as many shots in arms as we can get
3 vaccines.

4 DR. BARRON: So Penn State Health
5 provides shots. And Penn State itself has built
6 a freezer farm to be able to handle vaccinations.
7 We're at a crossroads in terms of expressways at
8 University Park and the central Pennsylvania area
9 for which getting those vaccines might be more
10 challenging. And our Bryce Jordan Center and the
11 parking lot around it are perfect for people to
12 come, stay a safe distance, and get a vaccine.

13 So we have discussed with the State and
14 with PEMA our willingness and readiness to become
15 a point of distribution. If they need us, we're
16 ready.

17 REPRESENTATIVE JAMES: Excellent. Thank
18 you.

19 DR. ALLEN: Lincoln University will
20 partner with the Chester County Health Department
21 to use our facilities as a -- as a place to offer
22 the vaccine. So we don't have a medical school,
23 but we have facilities and so we'll open that up
24 for our community.

25 REPRESENTATIVE JAMES: Okay. Thank you

1 all so much.

2 I have a UPMC -- UPMC Northwest about a
3 mile from my office. And a shout out to Brian
4 Durniok, the CEO there. He does a fabulous job.

5 DR. GALLAGHER: That's terrific. I will
6 pass that along.

7 Thank you.

8 REPRESENTATIVE TOPPER: The Chair thanks
9 the gentleman. We -- due to the nature of this
10 panel and all four of you sometimes having to
11 answer the same question, we've been fairly
12 lenient with the red light. We do -- just a
13 reminder to the members, as well -- have another
14 group coming in to testify. We've pushed that
15 back to 3:30, but probably would not like to push
16 it back too much farther than that. So if one of
17 you gives an answer and it's sufficient, we'll
18 move on from there, just a reminder to members
19 and testifiers alike.

20 That being said, the Chair recognizes
21 the gentleman from Lancaster County, Mr. Greiner.

22 REPRESENTATIVE GREINER: Thank you,
23 Mr. Chairman. And thank you everybody for coming
24 today.

25 Being somebody who bleeds blue and

1 white, I'm going to focus on Penn State today,
2 since I'm a Penn State alum. And this is going
3 to involve agriculture. My dad is also an ag
4 engineer graduate from Penn State.

5 DR. BARRON: Wonderful.

6 REPRESENTATIVE GREINER: So I want to
7 touch base on the -- and you touched on it
8 before, Dr. Barron, on the ag extension program.
9 And we can't say enough, I think sometimes people
10 forget that when we fund Penn State, we're
11 funding the ag extension program, which is very
12 important. And that's nearly \$55 million per
13 year to help run that program.

14 In your budget or in your
15 recommendation, you were asking for an additional
16 \$3.3 million, and the Governor has proposed
17 continuing level funding for that. And I just
18 wanted to -- we've talked about coronavirus. I
19 guess I want to know what maybe the problems that
20 arose from that occurred with ag extension, but I
21 also would like to know what kind of
22 opportunities and what you're looking to do with
23 that extra funding for ag extension?

24 DR. BARRON: Yeah, so ag extension
25 worked hard to move into a virtual environment,

1 so they could continue to play their role if
2 face-to-face wasn't something that was workable.
3 There are a number of areas in the State for
4 which increased funding is important, probably
5 most notable is the Spotted Lantern Fly, which
6 has devastated a lot of different crops,
7 including the wine industry in Pennsylvania.

8 I did write down that the impact in
9 Pennsylvania already is about \$50 million and
10 nearly 500 jobs. And if it were to go unabated,
11 that number for Pennsylvania only, in terms of
12 agricultural impact, would exceed \$300 million.
13 But there are also a lot of different water
14 quality issues, dairy food processing, digital
15 education efforts, animal agriculture, large
16 number of areas that are extremely important to
17 the agricultural industry in Pennsylvania and
18 that Penn State is very involved in and can have
19 a positive impact on our communities and on the
20 industry as a whole, but in particular, I think
21 to prevent significant harm.

22 REPRESENTATIVE GREINER: So the
23 increased \$3.3 million would go to all those
24 various areas. I mean, coming from Lancaster
25 County, of course, agriculture, we're the number

1 one county in the State. It's a concern, and I
2 think we have an opportunity for economic
3 development, more jobs. And I don't, you know,
4 for everybody here, I don't want people to just
5 -- they have to understand that when we talk
6 about funding our universities, that agriculture
7 is important, number one.

8 So I did want to follow up. You had
9 earlier -- it's hard to believe, time flies --
10 almost two hours ago towards the beginning, you
11 talked about your Invent Penn State Initiative
12 also and were requesting about \$2 1/2 million,
13 just short of \$2 1/2 million for additional
14 funding. And once again, for economic
15 development, which is something I know many of
16 us, I in particular, am very concerned about
17 that. I think we need to try to drive and
18 encourage that here in Pennsylvania.

19 Can you maybe just real quickly again
20 just give an idea or a quick overview of what
21 that program is and how impactful it can be for
22 the residents of this Commonwealth?

23 DR. BARRON: Yeah. So in particular,
24 the part that we're seeking the funds to --
25 about \$2.35 million to match what Penn State is

1 now contributing to these Innovation Hubs. So
2 there's many, many, many different aspects of it,
3 from miners, from competitions, from an IP fair,
4 from a lot of different efforts within the
5 university to promote partnerships with industry
6 related to our intellectual property.

7 But the LaunchBoxes themselves receive a
8 significant amount of demand. And we do it
9 largely as a community service. And what we're
10 seeing is the boot camps that we have, the idea
11 camps that we have, the mentoring, we provide
12 free legal counsel. You know, it's interesting
13 when you're talking to someone and they've got a
14 brilliant idea and they say, I spent all summer
15 trying to incorporate my company and make sure I
16 did it right, as opposed to spending that time
17 working on developing their startup.

18 So we provide that free legal aid. So
19 it's a significant service, and the demand for
20 personnel has grown substantially because of the
21 number of people that are seeking help with
22 developing their companies.

23 REPRESENTATIVE GREINER: Have we done
24 anything to quantify, you know, what the economic
25 impact might be on the Commonwealth. You know,

1 maybe you've done some studies because it could
2 be a very -- something very positive for us.

3 DR. BARRON: Yes, so we have been doing
4 this from the viewpoint of a quick survey, the
5 first LaunchBox five years ago, some just about
6 three years, 3,300 entrepreneurs assisted, 10,750
7 faculty, students, and staff engaged, 247 new
8 products out there, 164 new companies that are in
9 PA communities.

10 There are other companies that are
11 outside of PA at communities. So there's quite a
12 bit there. And including leveraging, about --
13 about five times what we've invested that's
14 coming from corporations leveraging these
15 efforts. So we're beginning to see an
16 accumulation of actually a great deal of impact
17 as they've grown.

18 REPRESENTATIVE GREINER: That's great.
19 Thank you for that information, Dr. Barron.

20 I think I said earlier, I wish you all
21 the best. I think you have one more year -- one
22 more of these hearings and then that might be it,
23 then you don't have to do this anymore, I guess.
24 But anyway, thank you, Mr. Chairman.

25 REPRESENTATIVE TOPPER: The Chair thanks

1 the gentleman and recognizes the gentleman from
2 Adams, Mr. Ecker.

3 REPRESENTATIVE ECKER: Thank you,
4 Mr. Chairman. And thank you folks for being here
5 and taking our questions today.

6 So I'm going to keep with the ag theme
7 here. And I know, I mean, we talked about ag
8 extension, which is huge for Adams County and
9 Cumberland County, where I represent the fruit
10 industry and those initiatives. But I'm more
11 interested in talking a little bit about the
12 workforce development as it pertains to ag. And
13 you know, here in Pennsylvania it's our number
14 one industry. It's a huge industry, but I think
15 sometimes we have a hard time of convincing
16 folks, young people, to get involved in the
17 business aspect of it.

18 And I'm just wondering if -- and maybe
19 Dr. Barron, this is for you. At Penn Tech, I
20 don't remember if there are any opportunities
21 there, associate-type degrees, you know, more --
22 quicker ways to get folks involved, job training,
23 apprenticeship programs, as it pertain to the ag
24 industry. I don't know if you guys could speak
25 to that.

1 DR. BARRON: Penn Tech is very
2 successful in helping individuals be -- be
3 successful with associate's degrees, other
4 degrees, that lead to all sorts of different
5 professions. I'm actually not familiar with
6 whether or not there is ag components of that.

7 To tell you the truth, I think something
8 that probably has more potential is to use the
9 Commonwealth campuses as a feeder into the
10 College of Agriculture at University Park. That
11 -- that is an area where I think a lot of young
12 people don't realize what all the potential is.
13 And so we've had some conversations about,
14 perhaps, that as a pathway forward. But there
15 are a significant number of students in the
16 College of Agriculture that go off and work in
17 all sorts of different areas.

18 Although I admit the age of our farming
19 community is increasing, and there are not enough
20 young people that are in there taking on --
21 taking on their parents' or family farms or other
22 parts of the industry, when we have a lot of
23 successful graduates that do quite well.

24 REPRESENTATIVE ECKER: Absolutely. And
25 I think, you know, to that end, obviously the ag

1 program is incredible there. I think, you know,
2 there's -- I think a push to maybe get more
3 quicker training and get folks that don't want to
4 necessarily, you know, go to the four-year ag
5 program and get that, but get an education to run
6 a small business, you know, an agro-business.

7 MAJORITY CHAIRMAN BROWN: Type of
8 situation and learn, you know, more of a nuanced
9 ag type of activity that, you know, maybe could
10 be offered at Penn Tech.

11 So I guess I'm advocating for it.

12 DR. BARRON: No, we also have increased
13 focus on, as I think much of higher education
14 will, on certificate programs credentialing and
15 that can stack things for people in an education
16 that is not a traditional four-year college. And
17 so we have something called One Penn State 2025
18 and a good portion of that is to recognize that a
19 lot of learners want pieces of an education, not
20 -- not the full set of four years.

21 And so that's actually in what I've just
22 given to my Board on -- as things that I hope to
23 accomplish in the next 16 months is to make a lot
24 of progress in that direction. I think we'll see
25 that across higher education across the U.S.

1 REPRESENTATIVE ECKER: Great. I
2 appreciate your comments. Thank you guys.

3 MAJORITY CHAIRMAN SAYLOR: Next is
4 Representative Tim O'Neal.

5 REPRESENTATIVE O'NEAL: All right.
6 Thank you, Mr. Chairman. Thank you all for being
7 here.

8 I just want to shift gears slightly.
9 You know, I -- in an interest of time, so I would
10 hope that each of the four of you could give me a
11 pretty as straightforward and quick answer as
12 possible, what is the current value of your
13 endowments?

14 DR. GALLAGHER: The current -- the
15 current value is \$4.7 billion for our
16 consolidated endowment fund.

17 DR. BARRON: I'm pretty sure that I'm
18 within \$100 million of Pitt's number because we
19 like to be competitive. There's no point in not
20 wanting to be competitive in that space. I do
21 want to add a qualifier. Almost none of it is
22 unrestricted. Almost all of it has a donor
23 intent attached to it that requires by law that
24 we spend it on the area of the donor intent.

25 REPRESENTATIVE O'NEAL: I think you're

1 getting ahead of me here.

2 DR. BARRON: Yeah. Sorry, but I perhaps
3 was guessing what your question was.

4 REPRESENTATIVE O'NEAL: You're
5 foreshadowing it for sure, but I'm interested in
6 the other ones, so --

7 DR. ENGLERT: And ours is about -- I'm
8 just getting -- right now, ours is about \$800
9 million.

10 REPRESENTATIVE O'NEAL: How about
11 Lincoln?

12 DR. ALLEN: \$51 million.

13 REPRESENTATIVE O'NEAL: Fifty-one.
14 Yeah, so I certainly understand the aspect of
15 restricted funds and restricted funds within the
16 endowment, in that they're restricted for
17 specific purposes across various, I'm sure, it's
18 a vast number of issues or what have you, but you
19 know, respectively, \$4.7 billion for Penn State
20 and you're requesting \$337 1/2 million from the
21 State revenue. Pitt, same, \$4.7 billion, but
22 you're requesting just over \$178 million.
23 Temple, \$800 million, you're requesting just
24 under \$168 million. And then, Lincoln \$51 and
25 \$17.

1 You know, again, I understand the
2 aspects and the restrictions, the challenges with
3 restrictions, but your general public looks at
4 \$4.7 billion and wants to know why you're still
5 needing the money from the Commonwealth. So I
6 guess my question is, what is the response there
7 as we look across year over year for the support
8 that the State gives you, when tuition costs
9 continue to just raise and raise?

10 I get it, and I appreciate the fact that
11 you've all said that you weren't going to raise
12 tuition here this year, and I understand that,
13 but the price of higher education continues to
14 skyrocket. The price of the money -- whether
15 it's keeping up with that inflation or not, we
16 continue to give more money year over year over
17 year to the State-related universities.

18 And yet, the endowments are, you know,
19 quite literally -- I had the numbers from 2018,
20 so obviously you're about a -- Pitt and Penn
21 State, you're about \$500 million up from where
22 you were then. And when I calculated it for
23 2018, you can fund the State government for 11
24 years. So I guess that's -- that's my question,
25 what's your response to the constituents of

1 Pennsylvania in why we should continue to
2 subsidize your universities?

3 DR. BARRON: Well, so I would say first
4 and foremost, we would not be the universities we
5 are today without those funds that come from our
6 friends and from our alumni. They energize that
7 research budget that quite frankly drives the
8 economy of the nation. There's a lot of
9 demonstrations that the AAU universities, the top
10 64, of which both Pitt and Penn State are members
11 of, that those institutions are driving the
12 economy of this nation. And without their
13 intellectual property, we would not be where we
14 are today.

15 The same is true for the fact that into
16 the State comes a billion dollars that is then
17 spent in this State. Into this University comes
18 an enormous number of students, even though we're
19 a majority of Pennsylvania residents that spend
20 money in this State, that support this State in a
21 profound way. And they would not come if we
22 didn't have those research programs and superb
23 faculty. States and tuition no longer provide
24 the level of support that enables us to attract
25 that level of quality and that number of students

1 that would occur.

2 So in fact, the student benefits
3 enormously from the fact that Penn State alumni
4 and friends are willing to invest in this
5 University to drive a research program. It is
6 also true that it has a huge impact on access and
7 affordability. For example, in our current
8 campaign, we have a goal which we're going to
9 reach, which is almost \$800 million in student
10 scholarships. By far, the largest amount of
11 funds in our endowment are used to spend on
12 scholarships for students to make their education
13 more affordable.

14 And so it would be nice to go back to 20
15 years ago when the State support was about half
16 of the university and tuition wasn't there, but
17 quite frankly, I don't know what we would do as
18 an institution or what we would manage if we
19 didn't have those dollars to support student
20 scholarships and student research. You would
21 have a mediocre university as opposed to a top
22 one percent of the world.

23 And I tell people, how do you keep your
24 talent? How do you keep the talent of all these
25 young people in this State and not have them go

1 to Texas or not have them go to Florida?

2 You do that by having world-class
3 universities where the students want to stay and
4 stay here and create their companies and jobs.
5 So in my mind that -- that endowment truly
6 advantages Penn State, Pennsylvania residents,
7 and the economy of the State.

8 REPRESENTATIVE O'NEAL: I think you --
9 I think you mentioned a very good point of how do
10 we keep those students. And the last statistics
11 I saw was actually that we're not. So I'm out of
12 time. I will leave it there with that comment.
13 Thank you, gentlemen.

14 Thank you.

15 MAJORITY CHAIRMAN SAYLOR: Next is
16 Representative Zack Mako.

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

19 Doctor, Doctor, Doctor, Doctor.

20 So this line of questioning will be in a
21 different vein. I've already spoken with the
22 staff on this. I have a couple caveats. First
23 off, I have five questions, so I will be the most
24 efficient person here, but all five of my
25 questions need to be answered. It is of the

1 utmost importance. Everyone has to answer one
2 question, and Dr. Barron you cannot answer the
3 last question.

4 So without further adieu, here we go.
5 So first question, how do you -- how and what
6 extent does your university seek to project an
7 image or reputation that it's innovative?

8 DR. GALLAGHER: We do it reputationally
9 by being recognized, but the main thing is you
10 have to innovate. So you produce new ideas, you
11 know, new intellectual property, new companies,
12 new ways of thinking, new discoveries.

13 REPRESENTATIVE MAKO: Can you just name
14 one or two of those, name a few?

15 DR. GALLAGHER: Well, I think, yeah, one
16 of the -- to pick on the COVID theme, you know, I
17 think some of the work, we have two active
18 vaccines in development at Pitt right now and we
19 also have a discovery on the use of steroids to
20 treat people with COVID, that once it was
21 discovered, it was immediately adopted by the
22 World Health Organization and changed patient
23 care around the world.

24 REPRESENTATIVE MAKO: That will work.
25 All right. Question number 2.

1 What if any innovations made the
2 university successful in the past? Mention one
3 or two.

4 DR. ENGLERT: I'll speak to, again,
5 COVID, since it's hot. We have a, as I mentioned
6 earlier, a world class lung center head, Gerard
7 Crine, who developed innovative treatment
8 protocols for dealing with COVID patients,
9 especially to keep lung activities. That's just
10 amazing.

11 And then I'll mention one of our
12 professors in the School of Medicine, his truly
13 groundbreaking role with HIV and isolating the
14 HIV gene.

15 REPRESENTATIVE MAKO: We're at question
16 number three, what areas of innovation, research,
17 and development -- and I know this was kind of
18 hit on earlier -- and development is the
19 university pursuing, to name a few?

20 DR. BARRON: So I would say that some
21 key ones are focused in energy and an interesting
22 one is also related to use of coal seams to get
23 critical minerals that right now we're dependent
24 on China in this country, a large focus on AI,
25 quantum physics, and we take a great deal of

1 pride in addressing those issues that are related
2 to national security that are the top of the list
3 for the federal government.

4 REPRESENTATIVE MAKO: Thank you, sir.

5 What methods, approaches, and techniques
6 does the university employ to foster and support
7 innovation? Describe at least one way.

8 Dr. Allen?

9 DR. ALLEN: I can jump in. So again,
10 we're small, we're primarily focused in on
11 undergraduate education, but innovation is pretty
12 much the way that Generation Z goes. And so for
13 every program that we offer right now, we have to
14 offer an opportunity for students to actually
15 bring their new ideas there. So again, we're
16 trying to centralize that in what we're calling
17 our entrepreneurial corner of the world, give
18 students across majors -- you don't have to major
19 in business in order to participate in the
20 innovation cafe.

21 But we're also trying to bring other
22 people from the -- from the world who are
23 actually entrepreneurs to really work with our
24 students to help them understand how do you take
25 something from an idea to an actual product. And

1 that's the major demand, I think, of most
2 students today.

3 REPRESENTATIVE MAKO: I would agree with
4 you. It's just that a certain MBA student that
5 just read an article was saying that you should
6 be looking at talent and not necessarily
7 experience because you can foster the talent.

8 And then, the last question of course is
9 what best practice does the university use for
10 innovation that we can learn from, and just to
11 mention a few?

12 DR. GALLAGHER: Well, one thing I would
13 say is it's risk taking. So you have to reward
14 risk taking. And sometimes that's putting in
15 financial support for people who are taking --
16 that's my new innovation right there. I don't
17 think it's going to go anywhere in the market.

18 But also just lowering friction and
19 making sure that faculty and students can take
20 those risks and, you know, file their IP and get
21 that sort of support on, you know, what is a
22 pretty fragile stage of taking an idea into a
23 product or service.

24 REPRESENTATIVE MAKO: Well, I am out of
25 time. I appreciate it. And I think a certain

1 MBA student might be able to cobble 500 to 1,000
2 words together with direct research. So I
3 appreciate that.

4 Thank you.

5 MAJORITY CHAIRMAN SAYLOR: Glad we could
6 be helpful.

7 Next is Representative Rosemary Brown.

8 REPRESENTATIVE BROWN: Thank you,
9 Mr. Chairman. And thank you all for being here
10 personally today, as was mentioned earlier. But
11 I have to tell you, it's really hard to remind
12 myself not to keep looking at the screen. So
13 it's a retraining, but thank you again.

14 And as a legislator, I have worked
15 extremely hard on financial literacy efforts,
16 especially for our high school students. And
17 earlier this morning -- actually, I know
18 DR. ALLEN: -- you were in the Committee hearing
19 this morning, we talked a little bit about
20 financial literacy, but it took me over six years
21 to get a piece of legislation through. And it
22 basically allows financial literacy coursework to
23 count as a graduation requirement. Basically
24 prioritize, incentivizing, bringing the attention
25 that this is important coursework.

1 So as a legislative body and thus
2 offering appropriations to you, and looking at
3 the overarching subject of student debt, of
4 financials, stress, COVID, everything that's
5 happening -- I mean, financial literacy has
6 always been important, but I think now it's
7 becoming even more important.

8 What are you doing specifically as
9 presidents and leaders of your university -- I'm
10 not talking really about coursework, something
11 that a student is going to have to pay for as far
12 as coursework. I'm talking about initiatives
13 from each of you within your university that
14 you're ensuring every freshman receives, not just
15 the freshman or the sophomore, junior, senior who
16 reaches out to you.

17 My daughter is in college right now, and
18 I know when she was a freshman, there were five
19 presidential seminars she was mandated to attend.
20 So what I'm really asking is what are your
21 initiatives for your universities that can assure
22 us that you're giving this critical skill that is
23 not coursework, it's not going to cost them more,
24 but it's something that you are prioritizing?

25 Thank you so much.

1 DR. ALLEN: So I'll start. At Lincoln,
2 we're actually in the process of putting together
3 sort of a four-year career development
4 curriculum. So it's like, as a freshman, what
5 are the most important things you need to begin
6 to think about if you're thinking about your
7 journey to the end of your time and your career.
8 And we're imbedding in all four years sort of
9 instruction and opportunities, workshops, fun
10 stuff that can -- that really catered to where
11 they are.

12 So a financial literacy course or
13 workshop for a freshman might really just focus
14 in on managing the loans that you're getting,
15 making good choices there. As a sophomore, you
16 might start beginning to look at credit cards,
17 right. People start to send you that. So how do
18 you think about that, whereas the financial
19 literacy demand on a junior is slightly
20 different. And then, for the senior about to go
21 out into the world, there are probably six, seven
22 opportunities we need to offer them as they begin
23 to think about it.

24 And so what we're trying to do is to not
25 only embed it in their co-curricular sort of

1 portfolio, but to offer it at different points in
2 their career, so that the information and the
3 thought around that literacy is developmental, so
4 that by the time you get to be a senior, you
5 really have some good understanding about making
6 choices. You know what things like interest are,
7 for example. And all of the sort of important
8 things about budgeting, which may not matter to
9 you as a freshman because maybe your parents are
10 paying for everything, but clearly, as a senior
11 going out into the world, it becomes really very
12 important information.

13 DR. BARRON: So we created a financial
14 literacy center, and then we were fortunate
15 enough to get an \$8 million gift from a couple to
16 substantially up our game. So I believe there
17 are over 100 modules that you can take. They're
18 all free. They don't have to pay tuition for
19 them. It includes everything from, you know,
20 getting that credit card to actually modeling the
21 cost of your college education based on time
22 degree and your process. And it is a tool that
23 is available externally at no charge.

24 So for example, to work with parents and
25 the student, so that you can go through what is

1 the best and cheapest way to get a degree. Most
2 universities don't offer, here's the cheapest way
3 to get your degree. They're used to saying, oh,
4 you took that class, you shouldn't have, give us
5 another check. But this is a significant effort
6 to make sure that we're cost-effective in this
7 process.

8 The modules are tapped in all over the
9 world. You can take the module. You can get a
10 computer appointment. You can have a
11 face-to-face appointment with an advisor that
12 will help you. Rich, rich, set of courses that I
13 recommend to anyone.

14 DR. ENGLERT: At Temple University,
15 three things. First of all, our student
16 financial aid counselors work individually with
17 students at the time of financial aid, as well as
18 any time throughout the year, but secondly, every
19 student has a portal, let's call it. And the
20 student financial aid office reviews in that
21 student's portal with the student the status of
22 their indebtedness and how to use calculator
23 tools, et cetera. And thirdly, every year, the
24 student financial aid office gives to each
25 student an annual personal loan summary, each

1 June, so that each student knows precisely where
2 they stand and it keeps them informed, as well as
3 the advice going forward.

4 DR. GALLAGHER: I'll go just really
5 quickly because everyone has talked about, you
6 know, it's really hard to do this in the
7 curriculum. That's a crowded place to do it, and
8 there's a lot of requirements on students
9 already. A lot of this already focuses on the
10 student counseling and services and other
11 aspects. But let me just highlight two
12 additional areas.

13 Financial literacy has to start before
14 they get to us. And so we've been really trying
15 to bake it into the admissions process. So these
16 admissions processes now are often about, you
17 know, financial literacy and putting in
18 micro-scholarships and other types of things that
19 really have the students and their families
20 starting to think about this from the very
21 beginning.

22 And recently, as I mentioned earlier,
23 we've done that with transfer students where
24 we've put into the portal explicit things about,
25 you know, the financing if they're going to

1 transfer into Pitt from, let's say, a community
2 college. I will tell you where I think the next
3 frontier of this is. You know, graduates,
4 particularly very new graduates out of our
5 universities face a window of time. I call it
6 sort of the pre-career window, where you're not
7 in that steady career, but you're still
8 developing this portfolio of work.

9 This is where the burden of debt, this
10 is where not understanding the difference between
11 income-based repayment and other fixed payment
12 really becomes a liability. And this is where we
13 see the students telling us that financial
14 illiteracy, or the effects of it, are affecting
15 their career choices. I think universities have
16 to extend their accountability and the
17 responsibility to both career services, but also
18 these kinds of financial tools and literacy until
19 at least the five-year window or something after
20 graduation.

21 Otherwise, we're going to be open to the
22 criticism that all that investment we made, you
23 know, all those promises, which are quite real,
24 are left by the wayside if we didn't continue to
25 support students through that early fragile part

1 of their career.

2 REPRESENTATIVE BROWN: Thank you all.

3 Thank you for letting me know where
4 you're at. And I think we obviously can even
5 have even more conversations, but I'm out of
6 time.

7 Thanks, Mr. Chairman.

8 MAJORITY CHAIRMAN SAYLOR:

9 Representative Longietti.

10 REPRESENTATIVE LONGIETT: Thank you all
11 for giving us your time today. I just wanted to
12 ask each of you, what do you see your
13 institutions doing differently in a post-pandemic
14 world that absent a pandemic, perhaps, you would
15 have not done differently or at least not as
16 soon?

17 DR. BARRON: So we have definitely
18 accelerated our attitude to meet students where
19 they are, and now have substantially greater
20 online offerings than we had before. That
21 absolutely accelerated things. I think we're in
22 the midst of examining the number of cases for
23 which we can continue remote work, which saves us
24 money on physical plant.

25 And so those are the two things that

1 come to the top of the list for me.

2 DR. ENGLERT: Same for us for remote
3 learning, but I also think that we are more and
4 more going to be driven to partnerships,
5 partnerships among ourselves in higher ed -- and
6 we've been developing some partnerships with
7 other higher ed institutions in the Philadelphia
8 area including Jefferson -- but more than that,
9 partnerships with funding agents, with
10 corporations, with so many different types of
11 entities. I'll mention one, the Lenfest
12 Foundation, Gerry Lenfest, the late Jerry Lenfest
13 and his wife, Marguerite Lenfest set up a
14 foundation, and we've worked closely with them,
15 including Keith Leppert there.

16 And the goal is workforce development
17 focused on north Philadelphia, a poverty stricken
18 area, finding jobs for north Philadelphians. And
19 to do that, already we have over 20 partners,
20 some of whom can offer jobs. And of course, both
21 Temple University and the Temple University
22 Health System are offering jobs also. Our goal
23 is to provide jobs to north Philadelphians. And
24 that's the kind of partnership where funders,
25 health systems, a university, other universities,

1 and community agencies and leaders were all
2 engaged in, so partnerships.

3 DR. GALLAGHER: Well, let me -- great
4 question, by the way. And I'm going to answer it
5 a little bit by building on the last question. I
6 think universities have been a little bit myopic
7 by focusing on inputs, you know, the quality of
8 the people coming in, and on the activities we
9 do. We focus on the teaching and research and
10 the things.

11 I think if this pandemic has exposed
12 anything, it's kind of a sense of that wasn't
13 quite good enough. And I think what's coming in
14 is a much greater focus on the outcomes. And as
15 I said, you know, getting the universities to
16 extend some sense of responsibility for what
17 happens after graduation, for the individuals
18 that attended, some sense of responsibility for
19 the well-being of the communities that are --
20 that we're supposedly interacting with.

21 You know, do we make a difference in the
22 societal challenges, in these health disparities
23 or -- I think that, you know, that's a -- it may
24 not be an operational answer, and there are so
25 many of those, but I do think there's going to be

1 an attitude change, as we particularly start to
2 move past the pandemic and realize that, you
3 know, what this uncovered as a country and as
4 individuals and how unequal it was, that we have
5 some work to do. I'm kind of excited by that,
6 but I hope that's the case.

7 DR. ALLEN: I think we learned a lot
8 about innovation, and we did it because we had
9 to, but we found some real strength and what
10 people were really able to do. Sort of what you
11 said, when you meet students where they are, it
12 requires you to really stretch what you do as an
13 educator. And I think we will carry that
14 forward, even after the pandemic.

15 REPRESENTATIVE LONGIETTI: Well, I thank
16 each of you for that because, you know, we all
17 feel the negatives of this pandemic, it weighs on
18 us. And yet there are some good things,
19 fortunately, that can come out of this. And I
20 think institutions like yours, where people are
21 really putting thought and energy to that is
22 inspiring. So thank you.

23 MAJORITY CHAIRMAN SAYLOR: Education
24 Chairman, Curt Soonney.

25 REPRESENTATIVE SONNEY: Thank you,

1 Mr. Chairman.

2 I'm going to be extremely brief because
3 I believe I'm the only thing standing between
4 everyone and the door at the moment.

5 Very quickly, President Allen, I just
6 want to say what a pleasure it is to actually see
7 you. She spent two hours virtually with us in
8 the Education Committee this morning, so it's
9 really nice to be able to physically see you.
10 Like most everybody, I've had it about up to here
11 with the virtual and the Zoom. And you know, it
12 really gives a sense of normalcy to actually look
13 at somebody's face, right.

14 Probably more comments than questions,
15 you know. All of you have really stepped up and
16 shown how you can take care of the health and
17 safety of the students when they are on your
18 campuses. You know, how do you -- how do you
19 backtrack and back away from any of that in the
20 future? You know, now you are -- you're going to
21 be on the spot to do that, right? And not to say
22 that you didn't always do that, you did, but now
23 you've proven you can do it under very
24 extenuating circumstances, right? And so, in
25 other words, you've shown that no matter what,

1 you know, we're here, we can do it, we can handle
2 it, we're going to take care of it, and those are
3 great things.

4 The second thing is dealing with the
5 virtual learning. I was glad to hear President
6 Barron say that virtual learning was one of those
7 things in the future that you thought was going
8 to be changing within the system. You know, all
9 of our K through 12 students have been forced
10 into virtual learning, our college students have
11 been forced into virtual learning. And we all
12 know that those same students who went kicking
13 and screaming into it will be the same ones
14 kicking and screaming if you tell them you're
15 going to take it away.

16 I think that, you know, there is a place
17 for it, for sure. We know that the in-person
18 education is so very important, especially for
19 our younger students, but there is no doubt that
20 our older students, and especially our adult
21 students, that that virtual has a very meaningful
22 place in their future. And so I'm not going to
23 ask any of you to expand on that right now at the
24 moment. I simply wanted to make that statement
25 and thank you all for being here.

1 Thank you, Mr. Chairman.

2 MAJORITY CHAIRMAN SAYLOR: Very good.
3 We've come to the end of the hearing, and I want
4 to thank all of you for being here today and
5 being in person. I think that all of us are
6 getting a little tired of TEEM meetings and
7 virtual meetings. And we can demonstrate --
8 Chairman Bradford and I have worked very hard to
9 make sure these hearings are safe. Every night
10 this area is sprayed and cleaned and sanitized
11 and, you know, it's nice to be able to see all of
12 you.

13 President Allen, I must say, I'm going
14 to have to work with John Lawrence to get down
15 there because you're the only campus I haven't
16 been on. I know we've talked about that, and
17 I've never gotten down. So we will get there.
18 John Lawrence will make sure I get there.

19 But I do really, from the bottom of my
20 heart, want to thank all four of you for being
21 here today in person. And I hope we haven't
22 caused too many problems back home, but we value
23 what you're doing for our Commonwealth. And it
24 was critical for our members -- and this is one
25 of the things I will say; Chairman Bradford may

1 agree or disagree with me -- we need to see
2 what's going on in our Commonwealth. We need to
3 know what's going on so we can make good
4 decisions here.

5 And with that, I'm going to ask you to
6 move as quickly as possible to get out of here.
7 We must start with DDAP, the Drug and Alcohol
8 Program, as soon as possible.

9 Thank you.

10 DR. GALLAGHER: Thank you, Mr. Chairman.

11 DR. BARRON: Thank you very much.

12 DR. ENGLERT: Thank you for everything
13 that this Committee does and that all of the
14 legislature does.

15 Thank you.

16 (Whereupon, the hearing concluded.)

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C E R T I F I C A T E

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

Tracy L. Powell

Tracy L. Powell

Court Reporter