

1 HOUSE OF REPRESENTATIVES
2 COMMONWEALTH OF PENNSYLVANIA

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4 JOINT PUBLIC HEARING ON THE
5 PENNSYLVANIA STATE SYSTEM OF HIGH EDUCATION

6 House Education Committee
7 House Appropriations Committee

8 Irvis Office Building
9 Room 515
10 Harrisburg, Pennsylvania

11 Wednesday, October 27, 2021 - 9:05 a.m.

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13 MAJORITY COMMITTEE MEMBERS PRESENT:

14 Honorable Jesse Topper, Acting Majority Chairman
15 Education Committee
16 Honorable David Hickernell
17 Honorable Andrew Lewis (virtual)
18 Honorable Milou Mackenzie (virtual)
19 Honorable Michael Puskaric
20 Honorable Meghan Schroeder
21 Honorable Craig Staats
22 Honorable Tim Twardzik
23 Honorable Mark Longietti, Minority Chairman
24 Honorable Joe Ciresi
25 Honorable Carol Hill-Evans (virtual)
Honorable Mary Isaacson
Honorable Summer Lee (virtual)
Honorable Maureen Madden (virtual)
Honorable Napoleon Nelson (virtual)
Honorable Michael Zabel

1300 Garrison Drive, York, PA 17404
717.764.7801

Key Reporters

keyreporters@comcast.net

1 COMMITTEE MEMBERS PRESENT:

2 Honorable Stan Saylor, Majority Chairman
Appropriations Committee
3 Honorable Lynda Schlegel Culver
Honorable Torren Ecker
4 Honorable Keith Greiner
Honorable Doyle Heffley
5 Honorable Johnathan Hershey
Honorable John Lawrence
6 Honorable Zachary Mako
Honorable Tim O'Neal
7 Honorable Clint Owlett
Honorable Chris Quinn
8 Honorable Greg Rothman (virtual)
Honorable Louis Schmitt, Jr.
9 Honorable Meghan Schroeder
Honorable James Struzzi, II
10 Honorable Jeff Wheeland (virtual)
Honorable Dave Zimmerman
11 Honorable Matt Bradford, Minority Chairman
Honorable Donna Bullock
12 Honorable Morgan Cephas
Honorable Austin Davis
13 Honorable Elizabeth Fiedler (virtual)
Honorable Emily Kinkead
14 Honorable Stephen Kinsey
Honorable Leanne Krueger
15 Honorable Benjamin Sanchez
Honorable Peter Schweyer (virtual)

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1 STAFF MEMBERS PRESENT:

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Christine Seitz
3 Majority Executive Director

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Christine Crone
5 Majority Legislative Administrative Assistant II

6

Daniel Glatfelter
7 Majority Research Analyst

8

Mitchell Rosenberger
9 Majority Reserach Analyst

10

Erin Dixon
11 Minority Executive Director for Rep. Longietti

12

Marlena Miller
13 Minority Legislative Assistant

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Christopher Wakeley
15 Minority Education Specialist

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1 ACTING MAJORITY CHAIRMAN TOPPER: Good
2 morning, everyone. I'll call this meeting to
3 order. I know there are other Committee meetings,
4 and particularly a voting meeting and Ag that is
5 going on. Other members will be joining us, but we
6 will get started.

7 Welcome, everyone, to this joint hearing
8 of the House Appropriations Committee and the House
9 Education Committee. My name is Jesse Topper.
10 I'll be filling in for Chairman Sonney today. Also
11 joined by Chairman Saylor of the Appropriations
12 Committee, and Chairman Longietti, the ranking
13 member of the Education Committee.

14 Look forward to hearing our update from
15 Chancellor Dan Greenstein of the State System of
16 Higher Education this morning. These updates are
17 held quarterly in accordance with Act 50 of 2020.

18 To start off, I'll ask the members to
19 introduce themselves. We do have several members
20 joining us online: Representatives Madden,
21 Representative Napoleon Nelson, and Representative
22 Lewis. At this point we will start down at the far
23 right with Representative Wheeland and work our way
24 across for member introductions.

25 REPRESENTATIVE WHEELAND: Good morning,

1 everyone. Representative Jeff Wheeland, 83rd
2 district, Lycoming County.

3 REPRESENTATIVE SCHMITT: Representative
4 Lou Schmitt, 79th district, the City of Altoona and
5 the townships of Logan and Allegheny in Blair
6 County.

7 REPRESENTATIVE PUSKARIC: Representative
8 Mike Puskaric, 39th legislative district, Allegheny
9 and Washington counties.

10 REPRESENTATIVE STAATS: Good morning,
11 everyone. Good morning, Chancellor. Craig Staats
12 representing the 145th legislative district in
13 Bucks County.

14 REPRESENTATIVE CULVER: Good morning.
15 Linda Culver representing the 108th legislative
16 district, Northumberland and Snyder counties.

17 REPRESENTATIVE HICKERNELL: Dave
18 Hickernell, Lancaster and Dauphin counties.

19 REPRESENTATIVE STRUZZI: Good morning.
20 Jim Struzzi, 62nd legislative district, Indiana
21 County.

22 MINORITY CHAIRMAN LONGIETTI: Good
23 morning. Mark Longietti. I represent the 7th
24 district of Mercer County, and I serve as the
25 Minority Chairman of the House Education.

1 MAJORITY CHAIRMAN SAYLOR:

2 Representative Stan Saylor, Chairman of House
3 Appropriations Committee, 94th district of York
4 County.

5 REPRESENTATIVE SCHROEDER:

6 Representative Meghan Schroeder from Bucks County
7 here representing Appropriations and Education
8 Committee.

9 REPRESENTATIVE ISAACSON: Representative
10 Mary Isaacson, Philadelphia County.

11 REPRESENTATIVE SANCHEZ: Good morning.
12 Ben Sanchez representing the 153rd district in
13 Montgomery County.

14 REPRESENTATIVE CIRESI: Good morning.
15 Joe Ciresi representing the 146th district in
16 Montgomery County.

17 REPRESENTATIVE ZABEL: Good morning.
18 Mike Zabel, Delaware County, 163rd district.

19 REPRESENTATIVE KRUEGER: Leanne Krueger,
20 Delaware County, 161st district.

21 REPRESENTATIVE KINKEAD: Emily Kinkead,
22 Allegheny County, 20th district.

23 REPRESENTATIVE MAKO: Zach Mako, 183rd,
24 Lehigh and Northampton.

25 REPRESENTATIVE TWARDZIK: Tim Twardzik,

1 good morning, 123rd district in beautiful
2 Schuylkill County. Come see the leaves.

3 REPRESENTATIVE DAVIS: Representative
4 Austin Davis, 35th district, Allegheny County.

5 REPRESENTATIVE BULLOCK: Representative
6 Donna Bullock, 195th district in Philadelphia
7 County.

8 ACTING MAJORITY CHAIRMAN TOPPER: Thank
9 you, members. We're also being now joined by
10 Representative Kinsey, gentleman from Philadelphia,
11 as well as the ranking member on the House
12 Appropriations Committee, Mr. Bradford. So we're
13 glad to see Chairman Bradford here.

14 We'll begin before we introduce and
15 swear in Chancellor Greenstein with opening remarks
16 from the various Committee Chairs. We'll start
17 with Chairman Saylor.

18 MAJORITY CHAIRMAN SAYLOR: Short and
19 sweet. Chancellor, welcome. And I look forward to
20 hearing your comments today.

21 ACTING MAJORITY CHAIRMAN TOPPER:
22 Chairman Bradford.

23 MINORITY CHAIRMAN BRADFORD: I would
24 just echo the sentiments of the Chairman.

25 ACTING MAJORITY CHAIRMAN TOPPER: This

1 is awesome. Chairman Longietti, see if you can
2 keep it rolling or break the string.

3 MINORITY CHAIRMAN LONGIETTI: Good
4 morning, Chancellor. I want to thank you and the
5 board of directors -- Board of Governors for the
6 work that you've done so far. I'm particularly
7 encouraged by your appropriations request. I think
8 it's very important that we invest in our young
9 students and in our workforce. Thank you for that.

10 ACTING MAJORITY CHAIRMAN TOPPER: Thank
11 you, Chancellor. If you'd please stand and raise
12 your right hand.

13 (Testifier was sworn by Acting Chairman
14 Topper).

15 ACTING MAJORITY CHAIRMAN TOPPER: Thank
16 you, and you may proceed with any opening remarks,
17 and then we'll go to members' questions.

18 CHANCELLOR GREENSTEIN: Thank you, and
19 good to see everybody. Good morning. Just very
20 briefly.

21 We circulated the integration reports to
22 the General Assembly, I think last week. Key
23 topics, I guess, we're on track with all of the
24 quarterly deliverables that we had promised, the
25 critical ones for this last quarter, including

1 submission to Middle States that really begins the
2 accreditation process in earnest, getting the
3 governance structure -- I mean the organizational
4 structures in place both academically and
5 administratively, really launching off on the
6 technology integration work. So, you know, all
7 systems I guess are go.

8 It's hard work. I want to acknowledge
9 the people who are doing it. They're doing it
10 while they're running universities and dealing with
11 students and, you know, still with the lingering
12 effects of the pandemic. So, really a shout out to
13 them for rolling up their sleeves and getting
14 engaged.

15 I did want to say a brief word about
16 enrollments. Our enrollments, we're down.

17 ACTING MAJORITY CHAIRMAN TOPPER:
18 Chancellor, if you could move your mike up to you a
19 little closer. Some members are having a little
20 trouble hearing. Thank you.

21 CHANCELLOR GREENSTEIN: Is that better?

22 ACTING MAJORITY CHAIRMAN TOPPER: Yes.

23 CHANCELLOR GREENSTEIN: Just a quick
24 word about enrollments. You'll see that our
25 enrollments were down 5.4 percent just this

1 morning. We got national data which showed that
2 we're in line with the national trend for less
3 selective public universities we're down
4 5.2 percent. So, you know, we are experiencing the
5 pandemic effect which has spread across the nation
6 for a second year in a row.

7 Obviously, thanks to the generosity of
8 the General Assembly and the investment that it
9 made in the system last year, we're able to work in
10 two ways to mitigate the impacts of that downturn,
11 one of them, obviously, by continuing to operate
12 sustainably and will continue to require our
13 universities to operate in a sustainable manner.
14 It's a matter of board policy now and we sort of
15 worked that into our basic operations.

16 But, at the same time, we're able now in
17 a way that we haven't been to invest in our
18 students, to invest in enrollment growth and
19 improving student outcomes, et cetera. And so, a
20 good chunk of the 50 million that was allocated
21 will go in that direction. So I'm looking forward
22 to, hopefully, some significant turnaround next
23 year.

24 That is my report. I look forward to
25 taking questions.

1 ACTING MAJORITY CHAIRMAN TOPPER: Thank
2 you. I also want to make note that we've been
3 joined online by Representative Fiedler and in the
4 room by Representative O'Neal.

5 Chancellor, the Board of Governors
6 recently voted to request 550 million in state
7 funding. This is an increase of about \$73 million
8 as Chairman Longietti had noted. Is that in
9 addition to --

10 There has been an agreement with the
11 additional 50 million provided this year for
12 integration that that would continue over the next
13 five years. Would that be considered in addition
14 to an extra 50 million, or are we -- So, in other
15 words, are we talking about a 23-million-dollar
16 increase or a 73-million-dollar increase?

17 CHANCELLOR GREENSTEIN: Seventy-three.

18 So, it is the -- Really, the attempt was
19 to be responsive to questions I've received in both
20 chambers, both caucuses, and from the
21 Administration, what does it cost to run the
22 university that's already at or near peak
23 efficiency. That 550 million represents that --
24 that opera --

25 ACTING MAJORITY CHAIRMAN TOPPER: And

1 that is taking into account the drop that we're
2 seeing nationally, including PASSHE in enrollment?

3 CHANCELLOR GREENSTEIN: Correct. And
4 it's assuming we continue to operate sustainably.
5 So if our enrollments would continue to decline, we
6 would continue to adjust our expenditures
7 accordingly.

8 ACTING MAJORITY CHAIRMAN TOPPER: With
9 the first question, the Chair will recognize the
10 gentleman from Indiana, Mr. Struzzi.

11 REPRESENTATIVE STRUZZI: Thank you, Mr.
12 Chairman.

13 Just to build on the initial question,
14 the \$73 million, can you expound on how that would
15 be used? I think -- We said you do your part,
16 we'll do our part. So I think we want to be
17 supportive, but also we need to be able to explain
18 the increase and how that's justified. So, thank
19 you.

20 CHANCELLOR GREENSTEIN: No, I appreciate
21 that. So, it has taken, really, this long to
22 understand -- We have done a lot of work over the
23 last their years, as I think you know, starting
24 with some basic building blocks, putting budgeting
25 capability in place which we simply didn't have,

1 that enabled us to understand consistently what our
2 budget needs and uses were across the entire
3 system.

4 I'm not trying to throw my predecessors
5 under the bus, I'm really not. This is, um --
6 We've evolved from a kind of a fund source
7 accounting to a much more strategic goal oriented
8 approach to budgeting. And that's probably
9 reflective across the industry, so...

10 And we have spent a great deal of time
11 aligning our costs with our expenditures. You
12 know, I think I promised, I did promise in 2019
13 that we would take 200 to 250 million in operating
14 costs out of the system. In five years we're at
15 173 million.

16 We promised to align our head count --
17 our instructional head count with our enrollments,
18 which had declined 21 percent by 2020, and our
19 instructional head count had only declined I think 5
20 or 6 percent, so we're now -- we've closed that gap
21 and we will completely close it by 2021.

22 So all of those actions put us into a
23 position where we said, okay, what does it really
24 cost to run this system operating in the way it is?
25 We will eliminate the cross-subsidization that we

1 see currently as the healthier universities are
2 subsidizing the less healthy ones. It will take --
3 It will enable us to not pass a tuition increase
4 along to our students. It will enable us to
5 continue to ratchet student financial aid. We're
6 up to \$100 million annually that we cut ourselves
7 out of our operating budget and give to our
8 students in order to keep their costs down.

9 So, taking account of all of those
10 needs, and it will cover the cost of inflation.
11 And that is the basic operating cost of running the
12 system in its current structure.

13 REPRESENTATIVE STRUZZI: Thank you.

14 ACTING MAJORITY CHAIRMAN TOPPER: Chair
15 thanks the gentleman.

16 We've also been joined by Representative
17 Cephas and online by Representative Rothman.

18 Next question will be from Chairman
19 Longietti.

20 MINORITY CHAIRMAN LONGIETTI: Thank you.

21 Sir, I want to explore a little bit more
22 of some of the nuts and bolts of how the
23 integration occurs from this point forward to
24 August 2022 when integration is to be operational,
25 so to speak.

1 I understand from your report it looks
2 like you anticipate that Middle States will make
3 their decision in March of this coming year. I
4 just want to gauge your confidence level on that
5 and also the how; the how of integration, and then
6 the other piece is NCAA. When do you expect to
7 hear from NCAA?

8 CHANCELLOR GREENSTEIN: So Middle States
9 works according to a process which is well-defined
10 by Middle States. We have submitted a complex
11 change request detailing, 80 odd pages, of what it
12 is we expect to do and intend to do. They have
13 assigned a committee, a review committee. They
14 will be reading through that material, they will be
15 visiting with us over the next several months.
16 They will be making a report back to the
17 Commission, the Middle States Commission which
18 meets in March and would consider their
19 recommendations in March.

20 We will be evaluated against, I think
21 it's the eight standards that Middle States has for
22 all universities. And their report, it's not
23 again, it's not a yes or no decision. It's
24 according to what we've discovered. You meet these
25 following standards, you maybe don't meet these

1 standards. Here's something we think you need to
2 do. I mean, that is typically what you'd expect
3 from Middle States.

4 We have consistently heard from NCAA
5 that they will follow Middle States. We won't
6 expect to hear from them until after the March
7 meeting

8 MINORITY CHAIRMAN LONGIETTI: Have they
9 said, you know, how long of a gap?

10 CHANCELLOR GREENSTEIN: They have not.

11 MINORITY CHAIRMAN LONGIETTI: And then,
12 if you could outline the how of implementation,
13 assuming that Middle States come back favorably.

14 CHANCELLOR GREENSTEIN: Well, sir, I
15 mean, implementation is going on today. So -- And
16 the best way I think -- The best way to think about
17 it is to imagine what needs to be in place for a
18 student enrolling in the first cohort of students
19 enrolling in the new university starting in
20 August 2022, what needs to be there.

21 So, we need to have ability for them to
22 see and register in their courses, to have proper
23 advisement, to have their student financial aid
24 packaged or jacked, or whatever. So, basically
25 looking at all the functions that are essential for

1 opening day, that focuses our attention, and right
2 now we're implementing all of those capabilities so
3 that we can manage a seamless transition.

4 So all of that is going on currently.
5 It does not wait for a Middle States' decision.
6 Working with our faculty to begin to blend our
7 curriculum; beginning to bring our technology
8 environments together, all of that is happening
9 right now.

10 MINORITY CHAIRMAN LONGIETTI: Is there
11 like an outline of steps?

12 CHANCELLOR GREENSTEIN: There's a very
13 detailed outline of steps.

14 MINORITY CHAIRMAN LONGIETTI: Is that
15 something that you're available to provide to us?

16 CHANCELLOR GREENSTEIN: Okay.

17 MINORITY CHAIRMAN LONGIETTI: Thank you.

18 ACTING MAJORITY CHAIRMAN TOPPER: I'd
19 ask the Chancellor if you could provide that
20 outline to both the Education and Appropriations
21 Committees.

22 CHANCELLOR GREENSTEIN: Yes. And just
23 to be clear, my colleagues will be taking notes.
24 It will be the project plan that we use to drive
25 the work.

1 ACTING MAJORITY CHAIRMAN TOPPER: Thank
2 you. Next, Chair recognizes the lady from Bucks,
3 Miss Schroeder.

4 REPRESENTATIVE SCHROEDER: Thank you,
5 Chairman.

6 Good morning.

7 CHANCELLOR GREENSTEIN: Good morning.

8 REPRESENTATIVE SCHROEDER: So, the
9 implementation plans helps us understand what these
10 integrated universities will be. The integrated
11 university will have a new name, and it will also
12 encompass the existing campus's local identity as
13 well, right?

14 CHANCELLOR GREENSTEIN: Correct.

15 REPRESENTATIVE SCHROEDER: So, can you
16 give us an example of such a higher education
17 entity that currently exists, and where in the
18 country that is like this, or is this something
19 completely unique?

20 CHANCELLOR GREENSTEIN: SUNY Buffalo.

21 REPRESENTATIVE SCHROEDER: Oh, okay.
22 Can you give us a little snapshot of what that
23 looks like then?

24 CHANCELLOR GREENSTEIN: SUNY Stony
25 Brook.

1 So, it's basically the name of the
2 entities inherited by Indiana University of
3 Pennsylvania.

4 REPRESENTATIVE SCHROEDER: Oh, okay.

5 CHANCELLOR GREENSTEIN: So, this is very
6 common, and it's actually common as part of our
7 fabric.

8 REPRESENTATIVE SCHROEDER: Okay. So,
9 how will the integrations impact the student
10 experience, availability of classes and graduation
11 rates, like the time limit of graduation, all that?

12 CHANCELLOR GREENSTEIN: So, our
13 anticipation is that we should see improvement in
14 student outcomes. And we should see improvements
15 in student outcomes across the system, as well at
16 the integrations, because it's something that we're
17 obviously focusing on in order to, um, assure our
18 students have the best opportunity to succeed.

19 At the integrated universities, in
20 particular, there has been an opportunity as a
21 result of this sort of restructuring to re-imagine
22 all the student support services that contribute
23 directly to student successful outcome.

24 REPRESENTATIVE SCHWEYER: Okay. I guess
25 another question I was thinking of when we got all

1 the materials and we were reading through things,
2 like, even books for students on campus that are
3 gonna be purchasing them or the university
4 purchasing materials across our new entities here,
5 is there any comparary (phonetic) concerns? Is it
6 a place to save money? How does that all operate
7 now in that space, for textbooks and things for
8 students?

9 CHANCELLOR GREENSTEIN: So there are a
10 variety of options available to students, and this
11 would be true at every university, and this would
12 be true in the future at integrated universities
13 through outright purchase, loan from the library,
14 rental from a third party, acquisition of a
15 secondhand version. Increasingly, you're seeing
16 turnkey online, you know, buy the textbook and all
17 the supplemental materials.

18 This is a personal -- I'm now speaking
19 from a personal point of view and as a one-time
20 digital librarian who was very active in the open
21 educational resources movement. There is a lot of
22 room for maneuver for all universities, including
23 ours, to lower the cost to our students by making
24 available open educational resources, which are
25 incredibly rich in the current environment.

1 REPRESENTATIVE SCHWEYER: Is that a
2 topic that's been brought up or a goal?

3 CHANCELLOR GREENSTEIN: It is a topic.
4 It's funny. And this is true across higher
5 education again. It's a topic which animates
6 enthusiasm in pockets, if I can put it that way.

7 It is something which is relying upon
8 our faculty who manages what happens inside the
9 classroom. They're responsible for instruction,
10 and including supplemental materials that is
11 required for instruction. There are universities
12 that are actively engaged--East Stroudsburg is a
13 good example--in helping the faculty to build a
14 greater alliance upon the educational resources for
15 the sole reason of lowering the cost for students,
16 which can be as much as 1200 more dollars a year in
17 terms of access to textbooks and the related
18 materials.

19 REPRESENTATIVE SCHWEYER: We talk about
20 the student debt issue a lot. I think if we can
21 find ways to make it a little bit more affordable
22 for students, and maybe a collaborative way to do
23 things online. I don't know how the other books
24 that are existing if they have Student Services,
25 Inc. set up at their university or how that works;

1 how we're looking long term there to save money.

2 Thank you.

3 CHANCELLOR GREENSTEIN: Thank you.

4 REPRESENTATIVE SCHROEDER: Mr. Chairman,
5 thank you.

6 ACTING MAJORITY CHAIRMAN TOPPER: Chair
7 thanks the lady.

8 We've also been joined in the room by
9 Representatives Quinn and Greiner and online by
10 Representative Hill-Evans.

11 Next for questions, the Chair recognizes
12 the lady from Philadelphia, Ms. Isaacson.

13 REPRESENTATIVE ISAACSON: Thank you, Mr.
14 Chairman.

15 Chancellor, how are you today?

16 CHANCELLOR GREENSTEIN: I'm remarkably
17 well.

18 REPRESENTATIVE ISAACSON: Oh, wonderful.
19 And, by the way, I haven't (sic) been a graduate of
20 the SUNY system.

21 CHANCELLOR GREENSTEIN: I just want to
22 say that I'm embarrassed for going to New York
23 first on that answer.

24 REPRESENTATIVE ISAACSON: You don't have
25 to be, because, what I was going to point out was

1 one of the reasons that I go down some of the lines
2 of questioning that I do, perhaps ad nauseam to
3 some, but the SUNY system does a very good job of
4 working higher education in New York all around,
5 and they work together.

6 Of course, this has been a topic of our
7 conversation. So I was just kind of looking for an
8 update with regard to how we're doing --

9 CHANCELLOR GREENSTEIN: Sure.

10 REPRESENTATIVE SCHROEDER: -- with our
11 community colleges, hopefully, becoming more of a
12 feeder to help you with the enrollment issue and to
13 make sure that we're getting students when they
14 transfer or coming in, in and out in the four
15 years, as we were just talking about student debt,
16 making it more affordable and, obviously, transfers
17 being accepted, et cetera, is going to help.
18 That's what I'm looking for my update. Thank you.

19 CHANCELLOR GREENSTEIN: And just for
20 those who are not as familiar with the SUNY system
21 as we are, the SUNY system includes both four-year
22 and two-year educational institutions in the same
23 system managed by the same governing entity,
24 actually, with local levels of control; not
25 dissimilar to our council of trustees, but it's --

1 it's one of several systems across the state with
2 the two years and four years are together, and for
3 the reason of driving the kind of pathway alignment
4 that we have to pursue in a voluntary way.

5 And just to put one more structural
6 layer on that, we're doubly challenged by the fact
7 that our community colleges are not themselves a
8 system. So, in California you have two four-year
9 systems which talk directly to a two-year system.
10 In our situation, we have 14 universities which are
11 part of a system basically talking individually to
12 the community colleges. So, our approach to
13 alignment is fundamentally done at the university
14 level.

15 We have put in place, as you know, the
16 policy environment that enables a community college
17 transfer with an AA or an AS degree to transfer
18 anywhere in the system as a junior. It basically
19 allows us, the university, to not have to evaluate
20 transcripts at the course level, which is a big
21 deal, because if we're not evaluating them at the
22 course level, we can't say things like no, that
23 course doesn't count. So that's important.

24 But, actually implementing that sort of
25 transfer requires sort of a very good close

1 relations at the university level. So, as a
2 consequence of all of this, and this was sort of
3 foreseen, I've asked groups of presidents -- a
4 group of college and university presidents have
5 gotten together and said, okay, what can we do?
6 And they've gone well beyond or they are going well
7 beyond in a good way. They're going well beyond
8 transfer and also talking
9 about support.

10 So I'm optimistic around that. I mean,
11 it does rely on sort of local animation on the
12 ground.

13 The other thing which I think is
14 important, separate from our appropriations request
15 but you may have seen that the board also
16 encouraged advocacy for \$200 million direct
17 investment in students. And, you know, in pursuit
18 of a variety of objectives, equity, workforce,
19 alignment, and taxpayer efficiency.

20 Investment in community college transfer
21 students, direct investments or scholarship is, in
22 some ways, achieve several of those objectives.
23 They tend to be lower income, so it has an
24 important leveling-up effect. They typically go
25 into programs of study which are in high demand.

1 And, obviously, it's an efficient use of taxpayer
2 dollars having spent it once to get a student
3 through community college spend that marginal
4 additional to get them through a four-year.

5 REPRESENTATIVE ISAACSON: Okay. I
6 appreciate that, having been a graduate of a
7 two-year and a four-year SUNY school, so I do
8 understand how they work, how that system works.
9 But there's also a large community college and a
10 city college system in New York also, and they all
11 work integrated together. Even though they are not
12 part of the same system, they are able to work
13 together.

14 It's nice to hear that your system and
15 your individual colleges are working with the
16 community colleges to make that more affordable.
17 And, by the way, I'm from Philadelphia and I
18 believe in investing in education. So I don't have
19 a problem with you making investments in higher
20 education. So, thank you.

21 CHANCELLOR GREENSTEIN: Thank you.

22 ACTING MAJORITY CHAIRMAN TOPPER: Chair
23 thanks the lady. Recognizes the gentlemen from
24 Washington, Mr. O'Neal.

25 REPRESENTATIVE O'NEAL: Thank you, Mr.

1 Chair.

2 And thank you, Chancellor, for being
3 here. One of the things that I'm struggling with
4 in this conversation is, last year's increase of
5 \$50 million from my understanding was a historic
6 increase for the PASSHE system. Now we're coming
7 back simply the next year and we're increasing that
8 to a 73-million-dollar increase, which again will
9 be another historic increase.

10 Again, where I'm struggling here is, we
11 continue to do these historic increases and put
12 money into the system with the goal of saving
13 money. So, can you -- Can you explain to me how
14 this process is working and how increasing at
15 historic rates is ultimately going to save the
16 system money?

17 CHANCELLOR GREENSTEIN: Yeah. So, a
18 couple things.

19 So first, is the, one-time money is
20 really one-time investment that allows us to
21 revitalize.

22 REPRESENTATIVE O'NEAL: But it's not one
23 time, because you've now taken that \$50 million,
24 you've baked it into the cost, and you're
25 requesting an additional 73.

1 CHANCELLOR GREENSTEIN: No. So, the
2 one-time money is one-time money being used on
3 one-time expenditure which allows us to realize it
4 is one time -- I'm trying to come up with an
5 analogy. That if you're a company you use one-time
6 funding to kick start a new product line, or you
7 would use one-time funding to kick start activity
8 in a new market.

9 In a university what we're using it for
10 is to kick start developments that will allow us to
11 serve our students better, whether it's through
12 student -- you know, improving students' success,
13 introducing new practices into instruction,
14 supporting our faculty and staff so they can serve
15 our students better.

16 Think of it as a largely -- as a sort of
17 large scale professional redevelopment kind of
18 effort because most of the money actually goes into
19 improving practice. That's thing 1. That will go
20 away. It's a one-time startup.

21 Thing 2. I've been asked repeatedly
22 over three years what does it cost to run the
23 system in its current structure? The number, in my
24 view, after three years figuring out budgets
25 consistent, et cetera, and getting our arms around

1 sustainability, what is actual sustainable
2 operations look like; what does stewardship look
3 like in our university system; what's the cost of
4 running the university system in its current
5 structure, the answer is that \$550 million.

6 And these are -- I want to be clear,
7 these are policy choices that the General Assembly
8 needs to make, right? And let me just elaborate a
9 little bit.

10 So, right now in the State of
11 Pennsylvania, 60 percent of all jobs require people
12 with some form of higher education. Only
13 50 percent of adults have some form of higher
14 education. That's the gap, it's growing. In the
15 meantime, higher education is shrinking. This is a
16 problem, right? It's a problem that affects the
17 long-term economic development of the state.

18 Now, PASSHE does not need to be part of
19 the solution to that. There's other ways to solve
20 that problem. You can import talent, right? Right
21 now Pennsylvania is kind of net even in terms of
22 immigration. The tax incentives favor older people
23 who are not contributing to the labor force, so,
24 obviously, it would require a shift. Or you can
25 invest in creating our own talent, one doesn't need

1 to invest in PASSHE. There are plenty of other
2 institutions out there that could be invested in.

3 But, at the end of the day, the question
4 really for the General Assembly is not about
5 PASSHE. The question really is about, what's the
6 future state of the economy?

7 And that's -- You know, we will run this
8 system. This system is now well-managed. I can
9 put my hand on my heart and I can say that with
10 integrity, and my board members I'm sure would
11 stand up and say the same thing. That's not really
12 the question.

13 The question is, what kind of state does
14 Pennsylvania want to see? That's a question for
15 you. And if you're satisfied with having a huge
16 gap in terms of the skills base that the employers
17 require, and you're satisfied with the potential
18 that employers will move jobs and are moving jobs--
19 Amazon is a perfect example, out of state, right?
20 And if we're satisfied that -- that our students
21 who can afford higher --

22 And we're the more affordable option and
23 we're still requiring a middle-class family to
24 spend 45 percent of its household income sending
25 one kid to college for one year at the most

1 affordable option in the state; if we're satisfied
2 with that, then we can continue on this austerity
3 path that we have been on. Or, we can be part of
4 an investment scenario, which is not an investment
5 in PASSHE. It doesn't need to be an investment in
6 PASSHE. But it needs to be investment in building
7 the talent base that the state needs to remain
8 economically competitive.

9 One last point. If we were to look at
10 New York, since we were just there, and we were to
11 compare -- And we were to make sure that students
12 in Pennsylvania who attend the state-owned
13 university paid the same as students who attended a
14 state-owned university in New York, we would have
15 to invest \$300 million a year more per year direct
16 to student funding. \$300 million a year just to
17 get even.

18 We are 46 in the nation when you compare
19 state-owned to state-owned. We are second highest
20 debt load, and we are the 7th most expensive public
21 system in the country. And the impacts of that, of
22 course, are on students, but ultimately they're on
23 the economy. Our employers cannot find the workers
24 that have the skills that they need. I can't -- I
25 can't express that any other way.

1 REPRESENTATIVE O'NEAL: Of course, I
2 agree with a lot of what you said. But I'm gonna
3 go back to the beginning, though, because based on
4 your answer, I'm now confused. So, I'm gonna go
5 back to Representative Topper's initial question
6 about the \$50 million and whether that's baked in
7 now to your additional request, and whether the new
8 request --

9 Is there a request for this budget cycle
10 coming up \$73 million more, including the 50
11 million last year, or is it 23 million more?

12 CHANCELLOR GREENSTEIN: \$73 million
13 more.

14 REPRESENTATIVE O'NEAL: So how does it
15 go away, I guess, is where I'm confused?

16 CHANCELLOR GREENSTEIN: The one-time
17 money goes away, right? It's 200 million over
18 three years, I believe.

19 REPRESENTATIVE O'NEAL: So your cost --
20 So the one-time money goes away, so your costs
21 actually increases 123 million?

22 CHANCELLOR GREENSTEIN: No. The
23 expectations is that the 550 million is the
24 operating costs of the university in its current
25 structure; operating sustainably in its current

1 structure. So that -- Assume that's ongoing with
2 whatever inflationary increases are appropriate,
3 the 200 million is a one-time boost allowing us to
4 invest in the revitalization that we need to do in
5 terms -- in order to expand student opportunity.

6 The only other thing I meant to say, and
7 I apologize for not, this was never about saving
8 money. This was about investing in our students
9 and expanding their opportunity, right?

10 We had to get our arms around some
11 pretty difficult management issues, and we have
12 done that, and that was certainly about aligning
13 our costs with our revenues and making sure that
14 were run properly, right? But, at the end of the
15 day, right, we're operating at or near peak
16 efficiency, and we will continue to do that as a
17 matter of board policy.

18 What's the breadth of our operations is
19 a policy issue for the state. How many students
20 can we serve? And right now we have priced, and we
21 again, are the most affordable option in this
22 state, and we have priced our students, our
23 historic low- and middle-income students out of
24 that opportunity. From a policy and economic
25 development perspective, to me that's unacceptable.

1 Where are they going to go? Where are they gonna
2 have their opportunity to contribute to the economy
3 and emerge in sustaining careers for themselves and
4 their families.

5 I'm glad to be Chancellor because my job
6 is easy. Yours is much harder because you have to
7 address that question. Thank you.

8 REPRESENTATIVE O'NEAL: Thank you.

9 ACTING MAJORITY CHAIRMAN TOPPER: Thank
10 you. And, Chancellor, perhaps -- We always
11 appreciate the updates in terms of where we land in
12 terms of the rest of the country. Perhaps, also,
13 where we land in terms of our salary and benefits
14 and to what our faculty make of the system, I don't
15 think that ranks 46th, if I'm not mistaken. So,
16 maybe if we could get those numbers, that would be
17 helpful in this conversation as well.

18 We have also been joined by
19 Representatives Heffley, Ecker, Owlett, Lawrence,
20 Gillen, and Hershey, so apparently the Ag Committee
21 is done. And online we have been joined by
22 Representative Lou Mackenzie and Representative
23 Schweyer.

24 The next question, the gentleman from
25 Montgomery, Mr. Ciresi.

1 REPRESENTATIVE CIRESI: Thank you, Mr.
2 Chairman.

3 Good to see you, Chancellor. I found
4 your comments just now very uplifting to say that
5 we need to invest in education. I've heard you
6 through each of these hearings we have gone to
7 about how we're not investing. And the realignment
8 was to make sure that we cut where we needed to
9 cut, but that didn't mean we didn't need to put
10 more money in the system to make it more efficient,
11 which sometimes may not make sense to people, I
12 understand that. But I also understand that the
13 process to succeed takes investments.

14 My interest all along has been the
15 interest of the student experience. I know I've
16 asked you this multiple times, but as we move
17 forward through this new process and this also
18 piggy-backs on Representative Schroeder's comment
19 for our students is, are we going to meet with
20 student groups? Are we going to assess where they
21 are? Are we going to get their input to see what's
22 working, what's not working?

23 And then not only that, instead of
24 working in a silo of just the State of
25 Pennsylvania, will we be assessing what other

1 students' experiences are like you compared to the
2 SUNY system and what they're getting out of their
3 system compared to ours and Florida and Texas, and
4 wherever else, and California, and how we improve
5 upon our system to see if it's working?

6 CHANCELLOR GREENSTEIN: Yeah. So -- So
7 two -- two -- two answers I think. So, yes, we're
8 consulting our students extensively. Integrations
9 alone, I think we've conducted something like 300
10 different kind of interviews and interview formats.
11 We now have records of every time an e-mail blast
12 or website update or some kind of communication or
13 meeting takes place, we have details about what
14 happened.

15 We did survey students about a variety
16 of issues, including how they wanted to be
17 communicated with. And because you're going to ask
18 me, and I was asked yesterday at the Senate, I
19 didn't have the answer, I went out and got it.
20 What was the sort of emerging trend video on
21 TikTok? You can't make this stuff up. So, we're
22 looking at how to do video on TikTok.

23 So, Representative Schroeder's also
24 looking (laughter).

25 So, in terms of sort of our peripheral

1 vision, yes, it's vitally important. All the areas
2 in which we're needing to be effective, whether
3 it's in community college transfer, high school
4 dual alignment, improve student advising, improve
5 financial aid support, health and wellness.

6 We exist in a field which has surfaced
7 incredibly well-evidenced-based practices. And
8 there are opportunities to integrate those
9 practices here. Through those use of one-time
10 investment, we have an opportunity to do that.
11 And, frankly, our universities have been doing that
12 all along with whatever scarce funding they can --
13 they can gin up. And so, it's important.

14 Actually, there's an advantage to be a
15 little bit of a late comer to the party because you
16 can rely on evidence-based and experience at other
17 places. And as you've seen through our
18 transparency and our work on the -- we constantly
19 are benchmarking ourselves on everything. Whether
20 it's student outcomes, financial issues, salaries
21 that we pay, et cetera, we're benchmarking
22 constantly, not just nationally, but against
23 comparable institutions, so we have an opportunity
24 to compare our outcomes as well as our practices.

25 REPRESENTATIVE CIRESI: Thank you.

1 ACTING MAJORITY CHAIRMAN TOPPER: Chair
2 thanks the gentleman.

3 Recognizes the gentleman from
4 Schuylkill, Mr. Twardzik.

5 REPRESENTATIVE TWARDZIK: Good morning,
6 Chancellor. Thank you for being here.

7 I want to say that Kutztown University
8 has done a fabulous job with my wife, who was a
9 teacher in her prior. You're the right man for the
10 job. I wish you were here a lot earlier, I think,
11 from what we find.

12 One of my questions I have is, just in
13 the news the other day they talked about East
14 Stroudsburg University was able to have a student
15 emergency fund give 7 and a half million dollars to
16 students, and this was, I guess, part of the
17 \$40 billion that has come across.

18 Unfortunately, the state here -- we just
19 eventually run out of money. So, we're asking for
20 \$73 million, well, 10 percent of that has just been
21 given out to students. Isn't there a way to
22 combine what we've got from the federal government
23 in those funds to help take care of these things?
24 Because it -- it was interesting because the money
25 could be used for anything from rent to bills or

1 school supplies. It's very broad.

2 CHANCELLOR GREENSTEIN: Yeah. So,
3 again, COVID money is one-time money, and some of
4 it, as you know, was allocated specifically for
5 students; a good chunk, actually. And thank God,
6 that helps. Others was, as you've specified, other
7 chunks of that money were available to the
8 university for a variety of things, including
9 return to student, and a number of our universities
10 have used it that way, East Stroudsburg included.

11 Also a good thing. It's one time. And
12 again, our average cost net price of attendance is
13 about \$23,000. That's about 45 percent of a
14 middle-income family's household income for one
15 child for one year. And it is, again, all the
16 national figures. The question is, how do we bring
17 that down?

18 We are currently cutting ourselves, as I
19 mentioned before, to give as much aid as we can to
20 students. We take \$100 million every year out of
21 our operating budget and we give it to students in
22 aid. We'll grow that. We foregone tuition
23 increases three years in a row. That's foregone
24 about \$60 million in revenue. So we've cut
25 ourselves 160 million over three years. Good news.

1 Between 2011 and 2018, average net price of
2 attendance grew 5 and a half percent a year in the
3 last two years, zero, flat, boom. That's tuition
4 fees, room and board. We can't keep doing that on
5 our own.

6 And as a consequence, the board approved
7 a General Fund appropriate request of 550 million.
8 That's the operating cost of the university will
9 allow us to increase aid by another 30 million.
10 The board also approved advocacy, and you'll be
11 receiving this as a letter to the General Assembly
12 and to the Administration for direct to student
13 funding approximately in the range of 200 to
14 \$230 million.

15 REPRESENTATIVE TWARDZIK: Thank you.

16 CHANCELLOR GREENSTEIN: The biggest
17 challenge we face in meeting those workforce goals
18 is really a student affordability challenge. It
19 shows up in our enrollments. It shows up -- And it
20 shows up in our credentialing productivity which
21 declines, and this is nationally, and this is
22 statewide; not just us. It shows up in the
23 inability of employers to find the workers that
24 they need.

25 ACTING MAJORITY CHAIRMAN TOPPER: Chair

1 thanks the gentleman.

2 Recognizes the lady from Allegheny, Miss
3 Kinkead.

4 REPRESENTATIVE KINKEAD: Thank you, Mr.
5 Chairman.

6 Thank you, Chancellor. We talked about
7 this sort of the last time you were here presenting
8 in front of us, and I wanted to kind of circle back
9 to this, because I lived in North Dakota for six
10 years in Grand Forks, which is where the University
11 of North Dakota is based. And given that they used
12 to be the Fighting Sioux and they're now the
13 Fighting Hawks, I think we can acknowledge that the
14 NCAA does, in fact, say no.

15 So, I'm going to ask again, what course
16 corrections are currently in place in the event
17 that some of these approvals do not come through,
18 whether it's Middle States or the NCAA? And when
19 -- Or if you don't have those in place, when would
20 you anticipate having a sort of alternative or a
21 backup plan in case what you have outlined before
22 us does not actually come to fruition because some
23 of these entities do, in fact, say no?

24 CHANCELLOR GREENSTEIN: Yeah.

25 So on the firsthand, I think it's always

1 important to have contingency plans in place.
2 Those plans are process plans. What will we do in
3 cases, really, we put in place the following
4 processes, rather than a plan for any -- specific
5 plans for any hypothetical. I mean, people are
6 working pretty hard, and they're working pretty
7 hard on a very complex transformational effort
8 while they're running universities and dealing with
9 a pandemic.

10 So, asking them to pursue, hey, what if
11 this happens, what specifically would you do, just
12 doesn't seem to me a good use of very scarce and
13 very talented staff time.

14 But if -- And again, yes and no is not
15 really what happens. My understanding what happens
16 is, let's have a conversation about X. So the
17 process that would be in place, and we have all the
18 structures that we need and all the consultation
19 that we need to put in place, to have a
20 consultation with whatever body about X.

21 REPRESENTATIVE KINKEAD: In your view,
22 what would you say is the most important objective
23 that each university has accomplished in the last
24 quarter?

25 CHANCELLOR GREENSTEIN: I think all of

1 them have been important. I think the Middle
2 States' substantive change request is probably in
3 terms of -- again, in terms of critical process.
4 Achieving that was a heavy lift.

5 REPRESENTATIVE KINKEAD: What do you see
6 as the -- for the next one? What's the most
7 important one that's coming up?

8 CHANCELLOR GREENSTEIN: I think sort of,
9 in the next quarter of the things that are on the
10 docket, I would say that leveraging the emergence
11 of certain new names in order to build enthusiasm
12 in student markets and drive enrollments. I think
13 that's gonna be critical.

14 I think it's actually, you know, a good
15 enough plan for this, but the timing is excellent.
16 We, obviously, have to address enrollment needs
17 across the system. The fact that the integrated
18 universities have an opportunity to do that around
19 something exciting and new. I think it gives them
20 a leg up. I hope it will give them a leg up. It's
21 something they would need to do anyway, as is true
22 across the system. So the co-occurrence I think is
23 helpful in this case.

24 REPRESENTATIVE KINKEAD: What do you see
25 as the biggest hurdle you have encountered so far

1 in the implementation?

2 CHANCELLOR GREENSTEIN: Staff burnout.

3 REPRESENTATIVE KINKEAD: Can you
4 elaborate on that a little bit?

5 CHANCELLOR GREENSTEIN: This is hard
6 work. This is hard work being done by people who
7 are working a hundred percent on their day jobs
8 dealing with the pandemic.

9 REPRESENTATIVE KINKEAD: In terms of the
10 staff burnout -- Sorry. I just have one follow-up
11 to that. Are you asking folks who are --

12 Obviously, there's been some faculty and
13 staff losses, implementation has started. Are you
14 seeing people having to take on a greater role than
15 what their original job description has been? Is
16 that part of what is happening with burnout.

17 CHANCELLOR GREENSTEIN: No. I think
18 it's -- I think it's volume of work. There are
19 certain people, certainly, who are expanding their
20 scope of responsibility, if that's what we're
21 talking about. There are others who are
22 re-prioritizing.

23 I think the biggest challenge that's
24 faced on an individual level is thinking in very
25 new ways, right? How do I think about -- How do I

1 think for the commons? And that's not something --
2 You know, the commons -- And it's not that people
3 don't think for the commons. It's just the shape
4 of the commons have shifted. How do I -- How do I
5 think for the new commons? And I think that's the
6 -- Intellectually, that's the challenge that's
7 often faced.

8 REPRESENTATIVE KINKEAD: Thank you.

9 Thank you, Mr. Chair.

10 ACTING MAJORITY CHAIRMAN TOPPER: Chair
11 thanks the lady.

12 Recognizes the gentleman from Tioga, Mr.
13 Owlett.

14 REPRESENTATIVE OWLETT: Thank you, Mr.
15 Chairman.

16 Thank you, Chancellor, for being here.
17 Quick question for you. I was wondering if the
18 system has considered what impacts of this
19 integration system that we're talking about here
20 might be on university scholarships, specifically?

21 For example, if a scholarship exists for
22 a music education major at Mansfield, once
23 Mansfield is integrated into this northeastern
24 university, how is a scholarship like that gonna be
25 handled? I guess it's twofold. Do they still

1 exist, and how will they be handled in the
2 integration process?

3 CHANCELLOR GREENSTEIN: So, typically,
4 scholarships -- I mean, with a donor-funded
5 scholarships, which I think are probably the
6 majority, the ones you're asking about, donor-
7 funded scholarships are typically controlled by the
8 donor, and so, they don't change unless the donor
9 agrees to the change.

10 So, you know, in that specific example,
11 a Mansfield scholarship for music would still be
12 available through Mansfield to its students who are
13 participating in music or the performing arts is
14 available through the new entity.

15 REPRESENTATIVE OWLETT: Are there any
16 other scholarships other than the donor-based ones
17 that --

18 CHANCELLOR GREENSTEIN: Well, there's
19 institutional aid which -- but then is controlled
20 by the institution, right? So I guess -- We do
21 about a hundred million dollars a year in aid, and
22 that doesn't include our -- yeah, it doesn't
23 include aid that flows through our foundations. So
24 there, the universities can shape how that money is
25 spent. They are, in effect, the donor.

1 REPRESENTATIVE OWLETT: Okay. Another
2 question. In discussing the financial projections
3 for the northeast integration, the report indicated
4 and has a statement that said, additionally, the
5 board action will be necessary for the northeast
6 integration to shield it from financial risk
7 related to Mansfield's system loans.

8 Can you talk a little more about that,
9 and what kind of board action might be necessary?

10 CHANCELLOR GREENSTEIN: Yeah. There are
11 two sources of one-time funding that we're using
12 for investment and revitalization and -- and, you
13 know, our transition to sustainable operations.

14 The 50 million that was generously
15 approved by the General Assembly in June, July and
16 June, and 25 million a year over four years which
17 results from our having prepaid our SERS' pension
18 obligation. So of that 75 million, some of that
19 money is being used to pay down, to repay loans
20 that Mansfield have had to take from the system;
21 loans which are effectively booked against the
22 reserves of the universities.

23 Mansfield has taken two -- has taken
24 loans twice over the last two years; once a year
25 over the last two years. I think the total is

1 about \$14 million. I expect it will take another
2 loan this year. And we have booked against the
3 SERS' funding, the repayment of those loans in the
4 out years. So the board action -- The board has to
5 approve additional loans.

6 REPRESENTATIVE OWLETT: Thank you.

7 Thank you, Mr. Chairman.

8 ACTING MAJORITY CHAIRMAN TOPPER: The
9 Chair thanks the gentleman.

10 We've been joined in person by
11 Representative Zimmerman, and online by
12 Representative Lee.

13 The next question will be from the
14 gentleman from Chester, Mr. Lawrence.

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

17 I might digress just for a moment. My
18 good friend, David Radcliff, when he organized the
19 reconstruction of these rooms assured us that there
20 would be a seat for every member in the hearings
21 that were held in this room. Today I see that
22 we're short seats. Mr. Radcliff has since retired,
23 so I guess there's some challenges there, but no
24 recourse at this point. If you're watching, Dave,
25 we miss you.

1 Mr. Chancellor, I appreciate you being
2 here today. I wanted to go back, and we kind of
3 talked a little bit about this today. But I wanted
4 to go back to a slide that was prepared for the
5 recent PASSHE board meeting where the 73-million-
6 dollar number was discussed. And on that slide it
7 says that proposed funding increase would eliminate
8 internal cross-subsidies, and that sounds to me
9 respectfully kind of like mumbo jumbo, right?

10 What are -- Could you elaborate on what
11 is meant by internal cross-subsidies; how much
12 money we're contemplating there, and who's
13 receiving and losing out in that system when we
14 talk about internal cross-subsidies?

15 CHANCELLOR GREENSTEIN: Sure. We have
16 an allocation formula, or we had an allocation
17 formula. It was based on a variety of four
18 factors, including enrollment, student supports,
19 facilities. The funding that we get, the General
20 Fund appropriation that we get from the state has
21 historically been allocated using that formula.

22 As a number of our universities began to
23 experience financial challenges, the system began
24 to engineer ways that it could support challenged
25 universities, and there were two. One of them we

1 just spoken about, which is loans. We write loans,
2 which are, basically, loans that are written
3 against the reserves of other -- of all the
4 universities.

5 The other is to basically manipulate the
6 formula, and to take money from -- that would
7 otherwise have gone to financially healthier
8 universities and give it to financially weaker
9 ones. Five universities were net contributors over
10 time, and that -- and we have begun to ratchet back
11 on the use of that cross-subsidy. We will do that
12 over three years. It was about \$7-ish million this
13 year, which got us 50 percent of the way there.
14 And then we'll ratchet back another 25 percent next
15 year, and then another 25 percent the following
16 year and get back to our formula. And this creates
17 a financial incentive for all of our universities
18 to operate in a sustainable fashion.

19 REPRESENTATIVE LAWRENCE: So would it be
20 fair to say that, in layman's terms, we're talking
21 about some universities in the system and some of
22 their respective state appropriation and some of
23 their respective tuition dollars are going to
24 subsidize programs at other state universities?

25 CHANCELLOR GREENSTEIN: Yes. I mean,

1 let me just modify that. I -- Specifically some of
2 the appropriation is being taken to support other
3 universities. Now, that has an impact on how
4 tuition dollars are used locally. So the net
5 effects is that, tuition dollars are -- are also
6 impacted, but they're not actually being taken way,
7 if that makes sense.

8 REPRESENTATIVE LAWRENCE: So who -- Who
9 are the -- I hate to say who are the winners and
10 losers? But, I mean, which universities saw the
11 benefit of receiving this money from other
12 universities and who lost out?

13 CHANCELLOR GREENSTEIN: So, let me get
14 you the detail, but I'm going to hum a few bars. I
15 may miss one or two. I'm gonna miss one or two,
16 but I'm still gonna -- And I'll talk about those
17 who are subsidizing. It would be West Chester,
18 Slippery Rock, Bloom, Millersville, East
19 Stroudsburg. Certainly those five.

20 REPRESENTATIVE LAWRENCE: So those are
21 the folks who are seeing money leave their --

22 CHANCELLOR GREENSTEIN: Yes.

23 REPRESENTATIVE LAWRENCE: -- their
24 world.

25 CHANCELLOR GREENSTEIN: I might have

1 missed one or two, and I apologize.

2 REPRESENTATIVE LAWRENCE: Which
3 universities are seeing the funds coming into their
4 orbit?

5 CHANCELLOR GREENSTEIN: So they would
6 the ones who are experiencing the greatest
7 enrollment challenges and the financial -- the
8 resulting financial impacts. They would be
9 Mansfield, Clarion, California, Edinboro, Lock
10 Haven. Cheney used to be to a certain extent,
11 although that's less true.

12 REPRESENTATIVE LAWRENCE: And how much
13 money are we talking about?

14 CHANCELLOR GREENSTEIN: Probably
15 \$15 million a year.

16 REPRESENTATIVE LAWRENCE: So not an
17 insignificant amount.

18 CHANCELLOR GREENSTEIN: It's real money.

19 REPRESENTATIVE LAWRENCE: It's real
20 money. So you said that there's a plan in place to
21 eliminate this practice of internal cross-subsidies
22 over the next three years. And that plan is
23 dependent upon what?

24 CHANCELLOR GREENSTEIN: So, let me back
25 up. There's a plan in place. There is a board

1 requirement that all of our universities operate
2 sustainably; that their expenditures do not exceed
3 their revenues. So, like any family across the
4 state, they balance -- they are required to balance
5 their budgets and put some away for a rainy day.

6 The reversal of the return to the
7 allocation formula creates a financial incentive
8 for universities to now do the right thing. It is
9 driving our sustainability work. Our
10 sustainability work has been very successful over
11 two years.

12 We've taken \$173 million out of our
13 operating costs. We've aligned our faculty head
14 count with our new enrollment realities. We have
15 done the hard work. Frankly, it was the hard work
16 that we were asked to do; not just by the General
17 Assembly, but by the board.

18 REPRESENTATIVE LAWRENCE: If I may, on
19 the same slide, there was a reference to university
20 and affiliate housing debt. I was alarmed to see
21 that it was described as, that this debt poses a,
22 quote, existential threat, which is a term that
23 gets bandied about a lot these days. But,
24 university and affiliate housing debt that poses an
25 existential threat to our most rural universities.

1 I mean, when I see the words existential
2 threat, I think going out of business, closure.
3 And I don't like government debt, so it sounds to
4 me like there's debt that's been taken on that is
5 so severe that is potentially a death knell.

6 Could you elaborate on this situation?
7 I think it would be to the great benefit of the
8 Committee.

9 CHANCELLOR GREENSTEIN: Sure. Yeah.
10 Universities typically, and again, not
11 just ours, are often overbilled in the late 2000s
12 in anticipation -- well a number of things. But in
13 anticipation of enrollment growth.

14 They saw the decline in the size of high
15 school leading population, and that's when you saw
16 universities investing and upgrading their
17 residents halls and upgrading their student
18 facilities, upgrading their gyms, you know, the
19 proverbial climbing wall and lazy river kind of
20 emerged from that time. And it was really an
21 intent to -- intention to stay competitive and to
22 ensure that our share of the declining student
23 market didn't shrink.

24 At universities where enrollments didn't
25 show up in the way that had been anticipated, you

1 don't have students occupying those residents
2 halls. Because the debt undertaken to build those
3 residents halls was to be paid through room and
4 board, the debt service that is left has got to be
5 met somewhere, right? So it tends to when -- tends
6 to get taken out of operating reserves or operating
7 funds where it's not available through the student
8 board fees.

9 REPRESENTATIVE LAWRENCE: Very good.
10 I'd like to, frankly, elaborate on that a little
11 bit more. But, Mr. Chairman, to be honest, you've
12 already been very generous in the time you granted
13 me, so I'll leave it there. Thank you.

14 ACTING MAJORITY CHAIRMAN TOPPER:
15 Perhaps that is something that you can follow up in
16 a little more detail --

17 CHANCELLOR GREENSTEIN: Sure.

18 ACTING MAJORITY CHAIRMAN TOPPER: --
19 with the Committee, because that was wording that I
20 think was alarming to many. So we'd like to see
21 some more detail.

22 The final question before we go to the
23 standing Chairmen will be from the gentleman from
24 Carbon, Mr. Heffley.

25 REPRESENTATIVE HEFFLEY: Thank you.

1 And just one quick question. On the, ah
2 -- just inquiring about the sale of the Dixon
3 Center here in Harrisburg, how that's going? Just
4 the status of that.

5 CHANCELLOR GREENSTEIN: We are still in
6 the process of developing a contract. So my
7 expectation is that, we will conclude that process
8 in the next couple months. I'm optimistic.

9 REPRESENTATIVE HEFFLEY: All right. If
10 you could just keep the Committee abreast of that,
11 it's certainly something that we're for. Thanks.

12 ACTING MAJORITY CHAIRMAN TOPPER: Chair
13 thanks the gentleman.

14 We will now turn to the standing
15 Committee Chairs, and we'll begin with
16 Representative Longietti for closing comments or
17 questions.

18 MINORITY CHAIRMAN LONGIETTI: I don't
19 want to miss an opportunity for a question.

20 If you could just talk a little bit
21 about the so-called main campuses in each
22 integration and the power they have in regard to
23 the other locations.

24 So, assuming Middle States' approval is
25 garnered as we move down the road, do the main

1 campuses have the ability to eliminate programs,
2 for example, from the other campuses?

3 CHANCELLOR GREENSTEIN: So, I would try
4 to think of this as a single entity with a single
5 president and leadership team. And as any
6 university, the president and leadership tee -- and
7 the authorities of that president are the
8 authorities granted in Act 188. So, a president
9 can allocate funds to and away from programs.
10 There are, obviously, processes one needs to go
11 through in order to do that.

12 But, those authorities are vested in the
13 president. They are not vested in the campus. The
14 president is the president of all three. Just like
15 the president today at a single university is the
16 president of the Department of English and the
17 Department of Celtic Poetry, and the Department of
18 Physics, right? So we will be making tradeoff
19 decisions across those departments, always.

20 I would expect the same to take place within
21 that integrated entity. But it's not a campus for
22 campus. It is the president operating under
23 statutory authorities granted in Act 188 to
24 basically make investments that are in the best
25 interest of the students, the communities, and the

1 state.

2 MINORITY CHAIRMAN LONGIETTI: Thank you.
3 By way of comment, first of all, thank you again
4 for your presentation here today and the work that
5 you've done.

6 For the record, I want to close that
7 workforce development gap. I want Pennsylvania's
8 economy to grow. I want people who right now don't
9 have opportunity for higher education have a desire
10 to obtain higher education and to better
11 themselves. I want them to have those
12 opportunities.

13 So, I'm not satisfied with where we are
14 at today. I mean, we have some things to be proud
15 of in this state, make no mistake, but it's
16 imperative. Workforce development is probably the
17 top issue in our state and so many states, and
18 we're in a globally competitive environment.

19 And so, again, I want to thank the Board
20 of Governors for having the courage to come to us
21 and say, well, this is what we need if you want to
22 get here. And I'm willing to take that seriously.
23 So thank you for that.

24 And thank you for the opportunity, Mr.
25 Chairman.

1 ACTING MAJORITY CHAIRMAN TOPPER: Chair
2 thanks the gentleman, and recognizes the gentleman
3 from Montgomery, Chairman Bradford.

4 MINORITY CHAIRMAN BRADFORD: Thank you.

5 And thank you, Chancellor, for being
6 here. I have a question for you. Last time we
7 spoke, we had a very positive hearing and you were
8 getting plaudits from both sides and well-desired
9 pat on the back.

10 You stated your number 1 challenge long
11 term was affordability. Has anything in the last
12 quarter changed your mind about that one iota?

13 CHANCELLOR GREENSTEIN: No. I want to
14 tie affordability and workforce together.

15 It is a mathematical improbability that
16 we can make up our workforce gap on the basis of
17 affluent Pennsylvanians. There's not enough of
18 them. I mean, there's no nice way to say that, and
19 they're all fine people, but there's not enough of
20 them to fill the seats on the workforce bus.

21 So we've got to figure out a way to do
22 better with the low- and middle-income students and
23 those who've been underserved, whether they're
24 rural or unrepresented minorities. Just it's --
25 I'm not an engineer, but it is a mathematical

1 problem that we have, so...

2 MINORITY CHAIRMAN BRADFORD: And at that
3 time you went through a calculation around
4 75 million times 5. I noticed today there's a
5 proposal of 73 million. Tell me where that
6 73 million again comes from?

7 CHANCELLOR GREENSTEIN: So there's two
8 proposals, but this is an unusual budget year
9 because there's a transactional request that we
10 make of the Budget Office, which I think has been
11 submitted or will be submitted in the next day or
12 so, which is the General Fund appropriation request
13 of \$550 million. That represents, after three
14 years of working on it and resisting pressure to
15 say, was there really cost to run the system
16 because I didn't want to say, you know, put a
17 number down which I couldn't really defend, that
18 represents three years' worth of work trying to
19 understand what consistent budgeting is, what
20 sustainable operations look like, et cetera, so
21 here you go.

22 MINORITY CHAIRMAN BRADFORD: That was a
23 structural challenge.

24 CHANCELLOR GREENSTEIN: That was a
25 structural challenge. And, frankly, to be

1 responsive to the issues raised properly in line by
2 many stakeholders, not just in the General
3 Assembly, about the management of the universities
4 and the system and our transparency and
5 accountability, our expenditures versus our
6 revenues, et cetera, we have gotten our arms around
7 all of that, all of that.

8 MINORITY CHAIRMAN BRADFORD: And you
9 know, as was said at that time, there's a lot of
10 queasiness in my caucus. Representative Briggs, I
11 know the Chairman shared my concern, as did Leader
12 McClinton that the Legislature would bawled you as
13 we did at the last meeting about the front end, the
14 structural changes; the union concessions, the
15 integration, the changing of how campuses work.

16
17 And then when we would have that second
18 part of the discussion, kind of the comments from
19 the gentleman from Washington raise concerns about,
20 is this one-time money or is this consistent
21 infusion of dollars? I can't tell you the level of
22 concern I have when I hear that kind of potential
23 back-pedaling, and I don't want to put words in the
24 gentleman's mouth. But when we go down that road,
25 that creates quite a concern for those of us in the

1 caucus who stood by for a unanimous vote for
2 integration. We need now to make sure we stand up
3 on the investment side.

4 CHANCELLOR GREENSTEIN: So, just a
5 couple things. The 550 is the cost of operating
6 the current system in its current structure. The
7 200, the money direct-to-student investment, and
8 you ask where the figures come from, that one comes
9 from -- there's good data which show that for every
10 X amount of dollars you give to a student, you'll
11 see a bump in credentialing; their ability to get a
12 degree.

13 So we basically set ourselves the
14 problem of saying, okay, here's the gap in
15 Pennsylvania's workforce needs but 2030. If the
16 Pennsylvania State System universities were to
17 fulfill their current role and meet their part of
18 that gap, right? What kind of bump do we get from
19 the 550 million, because we'll get some in terms of
20 student outcomes? And what additional bump would
21 we need, and how much would that bump cost to get
22 in terms of direct-to-student investment?

23 That's where those numbers come from.
24 And they align directly to what we would need to do
25 to produce our part of that -- to fill that part of

1 the workforce. It's something like--Don't let me
2 get this wrong--1200 BAs additional every year and
3 something like a thousand MAs additional every
4 year, but to 2030 to get -- just to level to
5 basically do our part. And so, the numbers align
6 with that directly.

7 MINORITY CHAIRMAN BRADFORD: So again,
8 and I don't want to belabor the point, but I do
9 worry about short-term memories in this building
10 and selective amnesia. So I want to make real
11 clear the commitments that have been made and to
12 reiterate our understanding of how integration is
13 gonna look like going forward.

14 Again, integration came with a lot of
15 concessions from employees, from the schools. And
16 if we're going to attack your number 1 challenge,
17 which is affordability, we need to make these type
18 of investments. And I think you're right about
19 workforce.

20 But I actually made the mistake of
21 reading the transcript from the last hearing where
22 you were getting those plaudits. Again, I realize
23 this is one stray comment, but I think it's
24 important to point out. Remember, I partnered with
25 Representative Topper and Chairman Saylor.

1 Representative Topper recognizing the
2 structural changes, he wrote -- he said at the
3 time, that sounds more like just a money problem.
4 That sounds like a structural problem, which we're
5 working on. Your answer, correct. I think you
6 will see increases -- This is Representative
7 Topper. You'll see that increased desire to
8 appropriate toward a system that is correcting.
9 That you have a group here of legislators that is
10 certainly interested in putting our money where our
11 mouth is when you see those results.

12 So, I think this is everything that
13 we're seeing right now is positive in terms of what
14 we're talking about, and it's not a matter of going
15 through a challenging time other than the pandemic.

16 Again, I want to recognize and I want to
17 say how much I appreciate Representative Topper and
18 Chairman Saylor, because they've said that we're
19 going to do the structural pain on the front side,
20 but they want to look at. And again, I can go
21 through the quotes. They are numerous.

22 So, if we -- we need to look at them and
23 I think we meet at PASSHE's request in terms of the
24 money for the integration, so you know, continuing
25 to make sure it's still adequate or there needs to

1 be more in a great deal of time before we actually
2 have to make the decision would be very helpful.
3 And again, out of context it's hard to put these
4 words -- give them their full value.

5 But what you have here is folks who
6 recognize that if we do the structural pain that we
7 have done, that the money would be forthcoming.
8 And there are those on this side who went along
9 with some agita about the structural changes; that
10 we want to make sure those investments are made on
11 the back end and people live up to their
12 obligation.

13 Thank you, Chancellor.

14 CHANCELLOR GREENSTEIN: Thank you.

15 ACTING MAJORITY CHAIRMAN TOPPER: Chair
16 thanks the gentleman, and recognizes the gentleman
17 from York, Chairman Saylor.

18 MAJORITY CHAIRMAN SAYLOR: First of all,
19 I agree with my colleague, Montgomery County, that
20 amnesia seems to be rampant here sometimes.

21 This General Assembly, I can recall when
22 I was Chairman of the Education Committee, had
23 invested \$80 million in modernizing the State
24 System prior to you, Chancellor. \$80 million to
25 merge all the computer systems, financial records

1 of all the universities. And that \$80 million was
2 thrown away at the last minute once it was
3 completed because they didn't want to do it.

4 This General Assembly has invested.
5 What we're concerned about and why we are pleased
6 that you are Chancellor and what you've done is
7 because there hasn't been accountability in this
8 system from the professors to the Administration
9 for years. As an alumni, I just wrote a check out
10 to IUP to their student assistance fund, and more
11 and more people need to do it.

12 But so many people, because it's state
13 funded, it's a government agency, we take for
14 granted -- We don't fight as hard as the private
15 college and universities do. We just take for
16 granted government is going to be there, we don't
17 have to worry about that. We do have to worry
18 that.

19 We are in competition, just like public
20 schools are in -- K through 12 are in a battle with
21 charter schools and cyber charter schools and
22 Christian schools and Catholic schools and private
23 schools.

24 Too many times government agencies have
25 forgotten, we have got to make our -- we want to be

1 successful, we have to be the best. That's what
2 competition is about. And we have failed in this
3 General Assembly and the Governors, Democrats and
4 Republicans alike, by the way--this isn't one side
5 or the other--have failed to make that until you
6 came along.

7 But I will say that I was disappointed
8 by the board's action recently in their vote to
9 stop some of the cost-cutting measures. I felt
10 that that was not something that this General
11 Assembly had agreed to, and I've heard from many
12 Senators and Representatives about their
13 disappointment in that, because they felt that they
14 had not been made aware that those kind of things
15 were going to happen by the board. And I think the
16 gentleman from Washington was getting right at
17 that.

18 It's about transparency. It's about
19 moving forward, but it's also about accountability.
20 This General Assembly is about those kind of
21 things. We have to be. We have limited dollars
22 and resources, and we have to make sure that the
23 dollars we invest are for the students. I don't
24 believe that Republicans or Democrats here want to
25 see any of these fail.

1 But, I also want to compliment that you
2 have, and you got compliments this past week when I
3 met with all the community college presidents about
4 how you've been working with them to resolve a lot
5 of the issues that have come up by both sides of
6 the aisle about the partneringship. They are very
7 thrilled. I met with them recently, and they're
8 very happy with how things are moving along.

9 But I do believe that members of the
10 General Assembly are so used to seeing things fail
11 at our state system, there's still concerns that
12 we're going to go backwards because, well, we're
13 getting here. Well, maybe we don't want to move
14 that far. Political influences. Things like that
15 are going on.

16 Members want to make sure if they're
17 gonna do this, that it truly is gonna be not, well,
18 we moved forward, we're gonna take two steps back.
19 The gentleman from Washington is right in what he
20 was talking about. I think all members of the
21 General Assembly should be concerned about that,
22 because that's one of the problems you face,
23 Chancellor, is politics. Whether you like it or
24 not, you're not politician, but you have to deal
25 with all of us on both sides of the aisles,

1 including the Governor, and that's been very
2 difficult and you've handled it very well.

3 But, you're going to continue to get
4 challenged by not just the gentleman from
5 Washington, myself, or Chairman Bradford, or
6 whoever it may be, about accountability. And
7 that's just part of the process. It's not to be
8 offensive. It's not to be anything else.

9 We just want to make sure we're moving
10 in a direction that's in the best interest of the
11 parents who are sending their children to these
12 schools and the students who are in 'em, and that
13 they're really getting degrees that there's real
14 jobs in Pennsylvania.

15 Like I said, I complimented you before.
16 I will continue to do that because I think you've
17 done a great job in moving us forward. But,
18 members are going to continue, continue to question
19 the accountability as the dollars go forward.

20 I thank you again for the work you've
21 done and look forward to continuing working with
22 you.

23 CHANCELLOR GREENSTEIN: Thank you.

24 Chairman Topper, may I just address that
25 one point about the board's actions?

1 ACTING MAJORITY CHAIRMAN TOPPER:

2 Certainly.

3 CHANCELLOR GREENSTEIN: First of all,
4 I'm fond of all of you. I don't take any of this
5 personally, but I appreciate your remarks.

6 I just wanted to clarify, the board did
7 not stop cost-cutting measures. The sustainability
8 is now part of our operating fabric. We have just
9 issued I think another 28, 30, whatever it is, the
10 layoff letters, which is very stressful. And we'll
11 continue to work with faculty to make sure they
12 land.

13 We are requiring our universities to
14 operate sustainably. Where they are modestly off
15 target or off target, the board has authority under
16 its sustainability policy through its Chancellor to
17 make some pretty corrective -- strong corrective
18 interventions. I've just written to three
19 universities requiring them to review once more
20 their academic program array; to make sure that
21 they -- to make sure where there's still challenges
22 in having more -- not having met them -- aligning
23 faculty compliment with new enrollment reality, so
24 we'll continue to do that.

25 We have financial incentives in place,

1 the reversal of the allocation formula. We have
2 extraordinary powers of the board to intervene,
3 frankly, in university operations where they are
4 off target in operating sustainability and there's
5 personnel mechanisms in place. The board can get
6 rid of a chancellor or a president if their goals
7 aren't being met.

8 We will continue to operate this system
9 sustainably. That is now part of our fabric. I'm
10 sad to say it, but we've become very good at it.
11 It's stressful work. It really lands on the
12 shoulders of the presidents to do it. But that's
13 not -- And we'll continue to do that at whatever
14 budget envelope we end up with, right?

15 The question again, it's a policy issue.
16 Austerity will lead to a very differently
17 structured system. Investment will lead to grow
18 economically. In either of those scenarios, I can
19 assure you, at least as long as the board and I'm
20 here, you'll have full transparency and complete
21 accountability for actions that we've taken out
22 (video service difficulty).

23 ACTING MAJORITY CHAIRMAN TOPPER:

24 Chancellor, could you then elaborate on the vote of
25 which the Chairman was referring to?

1 CHANCELLOR GREENSTEIN: Sure.

2 So, we approved the use of some funds in
3 order to help our universities' transition to
4 sustainable operations. So some of the funds were
5 used to address the allocation imbalances, right?
6 So 7 and a half million dollars was distributed, I
7 think, to four or five universities to make up for
8 the losses they were going to feel as we've
9 adjusted the allocation formula back, so we gave
10 them a three-year ramp. We used some of the money
11 to do that.

12 Some of the money we're using to sort of
13 ease the impact on faculty and other members of
14 staff --

15 ACTING MAJORITY CHAIRMAN TOPPER: That
16 means what, exactly?

17 CHANCELLOR GREENSTEIN: We're just
18 completing another further retirement incentive
19 where, as of last count, I think we're close to a
20 couple hundred additional retirees. We'll have the
21 final numbers in another couple of weeks.

22 That's important. It's across the
23 system because it allows us, then, our members --
24 staff or faculty members role is at risk. That
25 role is going away. It allows us to try to find

1 them a place either in their university or at
2 another university where they're, obviously,
3 minimally -- where they're, obviously, qualified to
4 play a role. We did that last year very
5 successfully.

6 We started the year with about 120
7 layoffs for faculty, and we ended up only
8 terminating about 28. I don't want to be crass.
9 That 28 is, every one of them is horrible. But we
10 worked with our faculty quite closely to get that
11 number down, and we'll do the same this year.

12 We continue to align our costs with our
13 revenues, and we will use some of the funds to help
14 support our faculty in bearing the brunt of
15 significant effort.

16 I want to point out, that two years ago
17 our faculty head count was down 5 or 6 percent, our
18 enrollments were down 21 percent. By the end of
19 this fiscal -- And I promise in two years to
20 correct that. By the end of this fiscal year, we
21 will correct that. We are now at 19 percent down.
22 We'll be at 21 percent by June. It's not fun work.

23 It's easy here. And it's not easy.
24 It's very challenging at the campuses because these
25 are very close-knit communities. It's the right

1 thing to do. I'm not shirking --

2 I want to shout out to the leaders, at
3 the universities in particular, who have navigated
4 very, very difficult times. Even at universities
5 which are integrating, and at the same time having
6 to downsize, it's the right thing. It's the right
7 thing for our students. It's the right thing for
8 the accountability to the state, but it is quite
9 challenging.

10 We will continue to do it. We've heard
11 loud and clear that we need to. We'll continue to
12 do it. It's now a requirement of the board, and it
13 will be followed. As our enrollments change, we'll
14 continue to follow the path.

15 ACTING MAJORITY CHAIRMAN TOPPER: Thank
16 you very much.

17 I'd like to thank all the members for
18 their participation, as well as Chancellor
19 Greenstein.

20 I think one of the things that we can
21 lay out now that we know for sure, we talk about
22 one-time money, we are not talking about
23 50 million. We are talking about 200 million.
24 It's 50 million over four years. I think that was
25 some of the confusion that we kept hearing one-time

1 money of 50 million, but it's one-time money of
2 200 million over four years. And so, now we're all
3 on the same page, I think that will -- that will
4 help as well.

5 Look, Act 50 was certainly one of the
6 most significant pieces of public policy ever to
7 come down the pike in terms of the PASSHE system,
8 and that was not easy. Your work has not been
9 easy. That work was not easy. But I think it has
10 laid the groundwork for some renewed trust, and we
11 are getting there, and I think we saw that with the
12 appropriation of the 200 million. I think we will
13 continue to see that as we move forward and
14 continue to invest in the system, and also continue
15 to be a part of the public policy of decisions that
16 affect PASSHE and affect, ultimately, our number 1
17 stakeholder group which is our students that we
18 need to educate.

19 So I thank everybody for attending. It
20 certainly was a well-attended meeting from both
21 Committees. Thank you, Chancellor.

22 And this meeting is adjourned.

23 (At 10:19 a.m., the hearing concluded).

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C E R T I F I C A T E

I, Karen J. Meister, Reporter, Notary Public, qualified in and for the County of York, Commonwealth of Pennsylvania, hereby certify that the testimony was recorded by me in stenotype from a video recording, to the best of my ability, and subsequently reduced to computer printout under my supervision, and that this copy is a true and correct record of the same.

I further certify that I am not a relative or employee of counsel or the parties hereto. This certification does not apply to any reproduction of the same by any means unless under my direct control and/or supervision.

Dated this 13th day of November, 2012.

Karen J. Meister, Reporter
Notary Public