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COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES
APPROPRIATIONS COMMITTEE
AND EDUCATION COMMITTEE

140 MAIN CAPITOL BUILDING
HARRISBURG, PENNSYLVANIA

JOINT PUBLIC HEARING ON THE
PENNSYLVANIA STATE SYSTEM OF HIGHER EDUCATION

WEDNESDAY, FEBRUARY 9, 2022
9:00 A.M.

BEFORE:

APPROPRIATIONS COMMITTEE

- HONORABLE STANLEY SAYLOR, MAJORITY CHAIRMAN
- HONORABLE MATT BRADFORD, MINORITY CHAIRMAN
- HONORABLE LYNDA SCHLEGEL-CULVER
- HONORABLE TORREN T. ECKER
- HONORABLE KEITH GREINER
- HONORABLE DOYLE HEFFLEY
- HONORABLE LEE JAMES
- HONORABLE JOHN LAWRENCE
- HONORABLE ZACHARY MAKO
- HONORABLE TIMOTHY J. O'NEAL
- HONORABLE CHRISTOPHER B. QUINN
- HONORABLE MEGHAN SCHROEDER
- HONORABLE JAMES B. STRUZZI, II
- HONORABLE JESSE TOPPER
- HONORABLE RYAN WARNER
- HONORABLE JEFF C. WHEELAND
- HONORABLE DAVID ZIMMERMAN

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BEFORE (continued):

HONORABLE DONNA BULLOCK
HONORABLE MORGAN CEPHAS
HONORABLE CAROLYN COMITTA
HONORABLE AUSTIN DAVIS
HONORABLE ELIZABETH FIEDLER
HONORABLE MANUEL GUZMAN, JR.
HONORABLE PATTY KIM
HONORABLE EMILY KINKEAD
HONORABLE STEPHEN KINSEY
HONORABLE LEANNE KRUEGER
HONORABLE KYLE J. MULLINS (VIRTUAL)
HONORABLE BENJAMIN SANCHEZ (VIRTUAL)
HONORABLE PETER SCHWEYER
HONORABLE JOE WEBSTER

EDUCATION COMMITTEE

HONORABLE CURT SONNEY, MAJORITY CHAIRMAN
HONORABLE MARK LONGIETTI, MINORITY CHAIRMAN
HONORABLE VALERIE GAYDOS (VIRTUAL)
HONORABLE MARK GILLEN
HONORABLE DAVID HICKERNELL
HONORABLE ROBERT MERCURI
HONORABLE MICHAEL PUSKARIC
HONORABLE MEGHAN SCHROEDER
HONORABLE CRAIG STAATS
HONORABLE JESSE TOPPER
HONORABLE TIM TWARDZIK
HONORABLE JOE CIRESI
HONORABLE GINA CURRY
HONORABLE CAROL HILL-EVANS (VIRTUAL)
HONORABLE MARY ISAACSON
HONORABLE PATTY KIM
HONORABLE NAPOLEON NELSON
HONORABLE MICHAEL ZABEL (VIRTUAL)

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ALSO PRESENT:

APPROPRIATIONS COMMITTEE

DAVID DONLEY, EXECUTIVE DIRECTOR (R)
ANN BALOGA, EXECUTIVE DIRECTOR (D)

EDUCATION COMMITTEE

CHRISTINE SEITZ, EXECUTIVE DIRECTOR (R)
DANIEL GLATFELTER, RESEARCH ANALYST (R)
CHRISTINE CRONE, LEGISLATIVE ADMINISTRATIVE
ASSISTANT II (R)
MITCHELL ROSENBERGER, RESEARCH ANALYST (R)

ERIN DIXON, EXECUTIVE DIRECTOR (VIRTUAL) (D)
ALYCIA LAURETI, SENIOR RESEARCH ANALYST (D)
BOB BROWNAWELL, SENIOR RESEARCH ANALYST (D)
(VIRTUAL)
MARLENA MILLER, LEGISLATIVE ASSISTANT (D)

BRENDA J. PARDUN, RPR
REPORTER - NOTARY PUBLIC

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SUBMITTED WRITTEN TESTIMONY

* * *

(See submitted written testimony and handouts
online.)

REQUESTS FOR INFORMATION

Page 38, line 16 (Representative Ecker)

Page 71, line 22 (Representative Webster)

P R O C E E D I N G S

APPROPRIATIONS MAJORITY CHAIRMAN

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3 SAYLOR: Call the meeting of the House
4 Appropriations and House Education Committee
5 joint meeting to be in order.

6 And today we're here, it's a joint
7 hearing, to hear from Chancellor Dan
8 Greenstein, of the State System of Higher
9 Education, meetings are held quarterly
10 according to Act 50 of 2020. During this
11 time, you know, the governor had given his
12 address yesterday for the '22-'23 budget
13 fiscal year, so I'm sure Chancellor Greenstein
14 might have some comments on that as well and
15 we may have some questions on that.

16 Initially, I just want to ask each of
17 the committee members to introduce themselves,
18 and staff as well that may be here with
19 members. And I guess we'll start to my right.

20 REPRESENTATIVE BRADFORD: Matt
21 Bradford, state representative, Montgomery
22 County.

23 MS. BALOGA: Ann Baloga, House
24 Appropriations Committee.

EDUCATION MINORITY CHAIRMAN

1 LONGIETTI: Mark Longietti. I represent the
2 7th District in Mercer County and serve as the
3 minority chairman of the House Education.

4 REPRESENTATIVE FIEDLER: Elizabeth
5 Fiedler, Appropriations, south Philadelphia.

6 REPRESENTATIVE WEBSTER: Good
7 morning. Joe Webster. I representing the
8 150th, in Montgomery County.

9 REPRESENTATIVE ISAACSON: I'm Mary
10 Isaacson, 175th District, Philadelphia.

11 REPRESENTATIVE KINSEY: Steven
12 Kinsey, 201st Legislative District,
13 Philadelphia.

14 REPRESENTATIVE CEPHAS: Rep. Morgan
15 Cephas, the 192nd, Philadelphia County.

16 REPRESENTATIVE CIRESI: Joe Ciresi,
17 146th District, Montgomery County.

18 REPRESENTATIVE KIM: Patty Kim, 103,
19 Dauphin County.

20 REPRESENTATIVE GUZMAN: Manny Guzman,
21 127th Legislative District, city of Reading.

22 REPRESENTATIVE SCHWEYER: Peter
23 Schweyer, 22nd District, city of Allentown.

24 REPRESENTATIVE CURRY: Gina H. Curry,
25 164th, Delaware County.

1 APPROPRIATIONS MAJORITY CHAIRMAN

2 SAYLOR: I'm Representative Stan Saylor, from
3 York County, chairman of the Appropriations.

4 MR. DONLEY: Dave Donley, Republican
5 staff, executive director to the
6 Appropriations Committee.

7 EDUCATION MAJORITY CHAIRMAN SONNEY:
8 Curt Sonney. I representing the 4th
9 Legislative District, in Erie County. And I'm
10 the majority chairman of the House Education
11 Committee.

12 MS. SEITZ: Christine Seitz, the
13 executive director of the House Education
14 Committee for the Republican caucus.

15 REPRESENTATIVE LAWRENCE: John
16 Lawrence, Chester and Lancaster County.

17 REPRESENTATIVE TOPPER: Jesse Topper,
18 78th District.

19 REPRESENTATIVE SCHROEDER: Meghan
20 Schroeder, Bucks County, from Appropriations
21 and Education Committee today.

22 REPRESENTATIVE GILLEN: Mark Gillen,
23 Berks, Lancaster counties.

24 REPRESENTATIVE PUSKARIC: Mike
25 Puskaric, representing the 39th Legislative

1 District.

2 REPRESENTATIVE HICKERNELL: Dave
3 Hickernell, 98th District.

4 REPRESENTATIVE TWARDZIK: Tim
5 Twardzik, representing Education Committee,
6 the 123rd District.

7 REPRESENTATIVE JAMES: Lee James,
8 representing Venango and Butler counties, in
9 the great northwest.

10 REPRESENTATIVE GREINER: Keith
11 Greiner, 43rd District, Lancaster County.

12 REPRESENTATIVE ECKER: Torren Ecker,
13 parts of Adams and Cumberland County.

14 REPRESENTATIVE QUINN: Chris Quinn,
15 Delaware County.

16 REPRESENTATIVE ZIMMERMAN: Dave
17 Zimmerman, representing northeast Lancaster
18 County.

19 APPROPRIATIONS MAJORITY CHAIRMAN
20 SAYLOR: We have with us also today virtually
21 Representative Sanchez, Representative Zabel,
22 Representative Culver, Representative Warner,
23 and Representative Hill-Evans are as well.

24 At this point, I will ask for any
25 opening comments from Chairman Sonney.

1 EDUCATION MAJORITY CHAIRMAN SONNEY:

2 Thank you, Chairman Saylor.

3 Good morning, Chancellor. I'd like
4 to congratulate the PASSHE Board of Governors
5 for taking a different approach towards the
6 creation of the northeast and the west
7 integrated universities and for understanding
8 the uniqueness and diverse needs of their
9 students, faculties, and communities, and for
10 keeping the integration implementation plan on
11 schedule.

12 I also think that I'd like to thank
13 you, Chancellor, and your team for the hard
14 work that you have put into improving and
15 modernizing the state system.

16 And I'd also like to congratulate you
17 for -- and the board for being selected to
18 receive the 2022 John W. Mason award for board
19 leadership from the Association of Governing
20 Boards of Universities and Colleges.

21 So, congratulations for that. And
22 thank you for being here and looking forward
23 to hearing the update.

24 Thank you.

25 APPROPRIATIONS MAJORITY CHAIRMAN

1 SAYLOR: With that, I recognize the Democratic
2 chair, Education Committee, Representative
3 Longietti.

4 EDUCATION MINORITY CHAIRMAN

5 LONGIETTI: Thank you, Mr. Chairman.

6 And thank you, Chancellor, for being
7 here this morning, and we look forward to your
8 remarks and the opportunity to ask questions.

9 You know, PASSHE is such an integral
10 part of the Commonwealth. It's an economic
11 engine, these various university and the
12 communities that they host -- are hosted by,
13 but it's also the real gateway for so many
14 Pennsylvanians who otherwise wouldn't have an
15 opportunity at higher education. And so, it's
16 vital, and we certainly want to do our part to
17 support it, and we look forward to hearing
18 about further integration efforts.

19 APPROPRIATIONS MAJORITY CHAIRMAN

20 SAYLOR: Chancellor, if you would rise and
21 raise your right hand.

22 DANIEL GREENSTEIN,
23 was sworn or affirmed.

24 APPROPRIATIONS MAJORITY CHAIRMAN

25 SAYLOR: Chancellor, you may begin, if you

1 have any opening comments, and then we will
2 move to questions.

3 CHANCELLOR GREENSTEIN: Thank you.
4 And thank you all for your opening remarks,
5 kind words.

6 Just really quickly, last week we had
7 the opportunity of presenting annually to our
8 board this time of year. We kind of review
9 where we've been by the numbers and look
10 forward to where we're going. And it was
11 really kind of an eye opener to just go
12 through some of the accomplishments over the
13 last several years. We bent the net price of
14 attendance, basically stopped the
15 acceleration, arresting our financial decline.
16 Our programs align ever more closely with
17 workforce needs. Our four-year graduation
18 rates are higher than ever. We're beginning
19 to shrink attainment gaps that exist between
20 black and white students, wealthy and less
21 wealthy students, and urban and rural
22 students, so that's beginning to happen.

23 And none of that just happened just
24 because. It happened because of the really
25 hard, dedicated work of our tremendous faculty

1 and our staff. And it's not just tremendous
2 work, because they do that. It was tremendous
3 work during very, very challenging times,
4 challenged by the pandemic, by the work of our
5 transformation and restructuring. And yet
6 folks are showing up every day, doing what
7 they do, caring as deeply as they do about our
8 students and their future and working together
9 to move these often very rigid trend lines
10 that are beginning to move in the right
11 direction.

12 So, really, just a shout out to my
13 many colleagues, 10,000 of them across --
14 across this great system, and for the work
15 that you do in service to our students and to
16 this Commonwealth.

17 APPROPRIATIONS MAJORITY CHAIRMAN

18 SAYLOR: Very good, Chancellor.

19 Just one more, before we start
20 questions, we've been joined by Napoleon
21 Nelson that's virtual as well. I just wanted
22 to recognize he is joining us as well.

23 With that, we'll start off with the
24 first questioner today, Representative Jesse
25 Topper.

1 REPRESENTATIVE TOPPER: Good morning,
2 Chancellor. Good to see you again.

3 CHANCELLOR GREENSTEIN: Good morning.

4 REPRESENTATIVE TOPPER: So, let's
5 talk about the budget request for 550 million,
6 and we saw the governor actually went a little
7 higher in his proposal yesterday. This gives
8 you the opportunity to tell us, as members of
9 both the Education and the Appropriations
10 Committee, about that increase, and
11 specifically, of course, we're talking about
12 tuition, you know, what will that do in terms
13 of allowing -- allowing it to be more
14 affordable for our students to attend PASSHE
15 schools. Do you have specifics in terms of
16 whether that will freeze tuition? And also,
17 get a little bit more specific of how that
18 money will be used especially in terms of
19 integration process.

20 CHANCELLOR GREENSTEIN: Sure. So,
21 the entire budget package envisages a package
22 that includes 550 million allocation and sort
23 of envisages that as the new base level of
24 general fund appropriation -- 200 million in
25 scholarship money directly to students and

1 then the 150 million remaining ARP dollars.
2 All of that is designed to enable the state
3 system, operating sustainably, affordably, to
4 meet the state's -- our share of the state's
5 workforce development goals. We have to add,
6 in order to serve the state's workforce needs,
7 another 2,000 BAs per year and another 1200
8 master's degrees per year. And in order to do
9 that, we need to, obviously, operate
10 effectively in programs of study which are
11 relevant to the economic needs of the state,
12 but we also need to lower the cost of tuition.

13 The 550 million specifically enables
14 us to freeze tuition at its current level but
15 not reduce it. It would include an additional
16 increment for student financial aid. We
17 currently spend 100 million. We would -- with
18 the 550 level of funding, we would be able to
19 spend 130 million on student financial aid,
20 but that won't --

21 REPRESENTATIVE TOPPER: 130 million
22 more or 30 million --

23 CHANCELLOR GREENSTEIN: 30 million
24 additional.

25 REPRESENTATIVE TOPPER: Okay.

1 CHANCELLOR GREENSTEIN: So, yeah,
2 we'd go from 100 to 130.

3 So, the 550 basically meets our
4 inflationary costs, enables to us hold tuition
5 flat but not reduce it.

6 And in terms of the integrating
7 universities, at 550 million, by 2025, the
8 northeast -- by 2024, the northeast is back in
9 the black -- actually, by 2023, they're back
10 in the black. And by 2025, the west is
11 reduced its operating deficit to about 6
12 million.

13 REPRESENTATIVE TOPPER: And for that
14 to happen, are those mostly, you know,
15 staffing through attrition reductions? Are
16 they -- or are we -- is that when we
17 anticipate that we're going to see the savings
18 from an administrative aspect of the
19 integration process? In other words, now --
20 you know, now we've consolidated IT, we've
21 consolidated HR, we've consolidated some of
22 those systems, and that's when we'll see those
23 savings.

24 CHANCELLOR GREENSTEIN: So, savings
25 will accrue over -- you know, will grow

1 annually to about 19 million dollars a year.
2 The real opportunity comes through growth.
3 We're an enrollment-driven enterprise. We
4 need to grow. We need to grow not just to
5 sustain our institutions. That's not our
6 business. Our business is to give the state
7 what it needs in terms of economic
8 development, workforce development, social
9 mobility of its people. So, in order to do
10 that, we need to grow.

11 REPRESENTATIVE TOPPER: And you
12 believe that -- obviously, freezing tuition
13 will be a big help as we continue to grow, if
14 that allows us to grow. Do you see the
15 opportunity at -- this being the new baseline
16 of funding that's requested, that we would
17 have the opportunity to reduce tuition over
18 the years? Will that be something that, later
19 on down the road, you'll think you will need
20 to move the baseline?

21 CHANCELLOR GREENSTEIN: Reducing
22 tuition is critical to the state's economic
23 development. Right now, the lowest cost
24 option to a postsecondary credential is a
25 Pennsylvania State System university, and it's

1 still traveling in the 23, 24,000-
2 dollar-a-year range net price of attendance, 6
3 and a half thousand dollars more than a SUNY
4 school and equivalent SUNY school. We're 6
5 and a half or 7,000 dollars per year out of
6 line with the national average.

7 We're pricing our -- we're pricing
8 our people out of postsecondary education.
9 And by pricing them out of postsecondary
10 education, in effect, we deny them the
11 opportunities to participate effectively in
12 the global -- in Pennsylvania's 21st century
13 economy, where 60 percent of all jobs and the
14 vast majority of new jobs are going to require
15 some postsecondary credential.

16 REPRESENTATIVE TOPPER: Thank you.

17 Thank you, Mr. Chairman.

18 CHANCELLOR GREENSTEIN: Thanks.

19 APPROPRIATIONS MAJORITY CHAIRMAN

20 SAYLOR: Representative Longietti.

21 EDUCATION MINORITY CHAIRMAN

22 LONGIETTI: Thank you.

23 Just to follow up on some of that.

24 So, the 550 would get you to a tuition freeze.

25 Is there any support in the budget that would

1 allow aid to students to be such that you
2 could look at reducing tuition at all to try
3 to make up --

4 CHANCELLOR GREENSTEIN: So, the
5 budget includes 30 million dollars additional
6 for student financial aid. Student financial
7 aid does tend to be targeted, individual
8 students. It's not the kind of funds that
9 would allow us to reduce tuition systemically.
10 And that is where the 200 million comes in.

11 EDUCATION MINORITY CHAIRMAN

12 LONGIETTI: And so, at least in the budget
13 proposal we haven't seen yet; is that correct?

14 CHANCELLOR GREENSTEIN: I'm sorry.
15 Say that again.

16 EDUCATION MINORITY CHAIRMAN

17 LONGIETTI: In the budget proposal that was
18 outlined yesterday, we've not seen those
19 dollars, that 200 million.

20 CHANCELLOR GREENSTEIN: We have -- we
21 have not. It's in the general -- it's in --
22 the request for 200 million is in the needs
23 statement that we circulated to the general
24 assembly and the governor back in November, I
25 think.

1 EDUCATION MINORITY CHAIRMAN

2 LONGIETTI: Okay.

3 Can you talk a little bit about where
4 we're at with both Middle States and NCAA?

5 CHANCELLOR GREENSTEIN: Sure.

6 EDUCATION MINORITY CHAIRMAN

7 LONGIETTI: When we -- you know, as much as
8 possible -- and maybe it's impossible, I don't
9 know -- but are there firm dates when we will
10 know whether those accreditations come
11 through? If not, can we pinpoint it as much
12 as possible or estimate, you know, what month
13 we're looking at, where we're at there?

14 CHANCELLOR GREENSTEIN: Yeah. And
15 then, for the benefit of other members of the
16 committees, so, as we move towards
17 integration, we submitted a request to our
18 accreditor in September, basically asking it
19 to accredit the integrated entity. That
20 request was made in September. Middle States
21 created review teams that were then sent out,
22 one to the west, one to the northeast, review
23 the request, review the plans going forward.
24 Those teams have made their reports. We've
25 had an opportunity to review and comment on

1 them.

2 They then go to the commission, which
3 will meet to consider their reports. I think
4 the date is March 17th, and, typically, the
5 commission will get back to us within two
6 weeks of that time. So, we'll know what the
7 Middle State's response is by the end of
8 March, early April.

9 EDUCATION MINORITY CHAIRMAN

10 LONGIETTI: And just to try to button that up
11 a little bit, so Middle States will come back.
12 You know, what do you anticipate or what are
13 the potential options? Will they say
14 accredited at that time? Or will they come
15 back and say, We need more information?

16 CHANCELLOR GREENSTEIN: So,
17 typically, what Middle States will do, Middle
18 States, I think, has eight standards, and they
19 basically review the plans against the
20 standards. They're things like, you know, all
21 of the things you'd expect: academic
22 integrity, financial health, governance, et
23 cetera. And they'll review our plans against
24 their standards, and they'll say, you know,
25 good, good, good, needs work, whatever. And

1 that typically, then -- typically would begin
2 a dialogue to address any weaknesses that they
3 identify.

4 The accreditation -- the decision
5 about accreditation would be tied up with that
6 review. But it's -- again, it's, at least in
7 my experience -- and I can't speak for Middle
8 States -- it's never -- it's never been an
9 on-off kind of decision. It's always, you
10 know, Here's some weaknesses we believe you
11 need to address; obviously, Here's your
12 strengths, Here's where you meet the standard,
13 that's obviously a very limited discussion
14 around those issues; Here's areas where you
15 need to strengthen, let us know how you're
16 going to do that; Here's the process as far as
17 we're concerned as the accrediting agency
18 about how to continue under review in those
19 areas.

20 EDUCATION MINORITY CHAIRMAN

21 LONGIETTI: So, in March, do you expect to
22 know whether these integrations are
23 accredited, or I expect --

24 CHANCELLOR GREENSTEIN: I expect to
25 know where -- I expect to know what the -- at

1 a minimum, what the path to accreditation is.
2 I expect to know, from Middle State's point of
3 view, what are the weaknesses that we need to
4 address, and begin to work out a plan to
5 address whatever those weaknesses are.

6 EDUCATION MINORITY CHAIRMAN

7 LONGIETTI: When do you anticipate we're going
8 to reach the end of that process? Do you
9 know?

10 CHANCELLOR GREENSTEIN: Oh, sorry.
11 It's -- it really depends on the -- what
12 weaknesses, if any, they find.

13 EDUCATION MINORITY CHAIRMAN

14 LONGIETTI: Okay. But let's assume -- I mean,
15 you had some experience. I mean, is there a
16 projection that you can make to say, well,
17 this is when I think we're going to know?

18 CHANCELLOR GREENSTEIN: I'm going to
19 assume we're going to know by the end of
20 March.

21 EDUCATION MINORITY CHAIRMAN

22 LONGIETTI: Okay.

23 CHANCELLOR GREENSTEIN: Yeah. You
24 know, you can only -- I can only deal with
25 information that's in front of me.

1 EDUCATION MINORITY CHAIRMAN

2 LONGIETTI: Sure.

3 CHANCELLOR GREENSTEIN: And, you
4 know, the -- my experience with accreditation
5 is that universities are -- you know, they go
6 through a re-accreditation process, you know,
7 every year. They often -- they sometimes get
8 a clean bill of health. They sometimes have
9 to look at issues that can take a year or two
10 to resolve.

11 EDUCATION MINORITY CHAIRMAN

12 LONGIETTI: What about NCAA?

13 CHANCELLOR GREENSTEIN: NCAA would
14 typically follow -- we expect NCAA to follow
15 on from the Middle States. So, we hope to
16 hear from them in April.

17 EDUCATION MINORITY CHAIRMAN

18 LONGIETTI: Okay. Thank you.

19 APPROPRIATIONS MAJORITY CHAIRMAN

20 SAYLOR: Before we go to the next questioner,
21 we have been joined virtually by
22 Representative Mullins. And we've also been
23 joined here in the room, hearing room, by
24 Representative Mercuri and Representative
25 Heffley.

1 With that, we'll move to the next
2 questioner, which is Representative Curt
3 Sonney.

4 EDUCATION MAJORITY CHAIRMAN SONNEY:
5 Thank you, Mr. Chairman.

6 Specific to the universities that are
7 being integrated, could you speak a little bit
8 about how you feel their ability to raise
9 money will change in any way? And also, when
10 it comes to those foundations that, you know,
11 are tied to those individual universities,
12 have you been having discussion on, you know,
13 the operation of those foundations?

14 CHANCELLOR GREENSTEIN: Yeah. So,
15 one data point sticks in my head. Clarion
16 had, in the face of -- in the face of
17 integration last year, had its best ever
18 fundraising year. Bloom, similar. I mean,
19 so, you know, fundraising precedes a pace.
20 The numbers that I see -- we now get
21 fundraising numbers from our universities.
22 And we continue to improve. I mean, you know,
23 we're not yet at the Harvard level of
24 endowment, but we're getting there slowly.

25 EDUCATION MAJORITY CHAIRMAN SONNEY:

1 But you didn't see decrease because of the
2 integration.

3 CHANCELLOR GREENSTEIN: I did not.
4 No, no.

5 And to your point about the
6 interaction with the foundations, so
7 integration does not affect the foundations.
8 We don't have -- the board and Act 50 doesn't
9 actually have the reach or power or influence
10 or -- power to affect the foundations.
11 They're wholly independent entities, organized
12 and managed as such. So, I'm confident there
13 will be no adverse impact.

14 EDUCATION MAJORITY CHAIRMAN SONNEY:
15 Thank you.

16 Thank you, Mr. Chairman.

17 APPROPRIATIONS MAJORITY CHAIRMAN
18 SAYLOR: Next I wanted to -- before we go to
19 the next questioner, we have been joined by
20 Representative Davis and Representative Briggs
21 as well here in the hearing room. And on
22 line, we've been joined by Representative
23 Gaydos as well.

24 But with that, we'll move to
25 Representative Peter Schweyer.

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

3 Chancellor, hello.

4 CHANCELLOR GREENSTEIN: Good morning.

5 REPRESENTATIVE SCHWEYER: Start with
6 something I don't typically do, I want to
7 compliment the system. And the tuition freeze
8 I think is extraordinarily important. It was
9 something that you and the various presidents
10 of the -- the universities last year, when
11 they testified at our budget hearings, we
12 talked about as being extraordinarily
13 important for them.

14 It's extraordinarily important for
15 our student, particularly -- I'm going to take
16 this off because I'm a little muffled --
17 because I think it's -- especially those that
18 are more financially at risk -- the first
19 generation students, those entities -- those
20 folks, I think it's extraordinarily important.

21 And also, from your perspective and
22 from the PASSHE\ as an organization, not the
23 individual universities, I want to
24 congratulate you for asking for an appropriate
25 amount of money this year. I think that, as

1 we've talked about for the last several years,
2 I don't think PASSHE -- and this predates your
3 time -- has ever really, truly been asking
4 aggressively enough for an appropriations from
5 this body. And the results of which is, your
6 debt's going down, your student tuition is
7 being frozen, and we're able to move forward.
8 So, I -- I'm legitimately glad to hear that.

9 There was a report -- I'm going to
10 pivot here a little bit, and this is not a
11 "got you" question, just a question. There
12 was a report about majors going away. I heard
13 about it from a -- randomly from a Pittsburgh
14 reporter, that there are majors that are
15 just -- that are being shuttered across the
16 system. I've seen not only sort of
17 extraordinarily technical and probably very
18 capital-intensive majors in certain areas that
19 are being limited in scope, but, you know,
20 talks about philosophy and then, frankly,
21 talks about physics and majors like that that
22 are being closed or reduced.

23 During the consolidation, I kept
24 hearing over and over and over again about the
25 fact that this is going to somehow, someday

1 enhance and increase the number of educational
2 opportunities that our students have. That
3 doesn't jive.

4 So, could you please, at this point
5 in time, explain how many majors are closing
6 across the system, how many are being -- are
7 going away as a result of the consolidation,
8 and then, frankly, how we expect to grow the
9 system, which you just said several times over
10 we need to do, if we're giving less
11 opportunities for our students.

12 CHANCELLOR GREENSTEIN: Sure. And
13 thank you for the -- I think the board has, on
14 the tuition freezes, which we've done for
15 three years, and the increase in our student
16 financial aid from 60 to 100 million dollars a
17 year, we cut ourselves 100 million dollars a
18 year in order to give money to students. We
19 have -- I can't show you the graph, but I can
20 draw it in the air. The net price of
21 attendance since 2010 has gone like this (air
22 drawing), which is really cool.

23 So, I'm going to use specific
24 universities to answer your question about
25 program reduction. California University, in

1 2018, had about one hundred ten programs. If
2 it was operating sustainably, it would be
3 able, on its own, to have about sixty. And as
4 part of the integrated entity in the west,
5 students will have will have access to a
6 hundred.

7 Clarion was operating with
8 eighty-plus. Standing on its own, operating
9 sustainably, it would have to reduce that
10 number in half to forty. As part of the
11 integrated entity, it will have access to a
12 hundred.

13 So, when I'm talking about student
14 access to opportunity, that is what I'm
15 talking about. As we are operating
16 universities sustainably, if they're standing
17 on their own, they can only afford the number
18 of programs they can enroll students into. As
19 they get smaller on their own, their program
20 footprint shrinks. So, integration provides
21 students with many more majors in two and
22 three X the number of programs of study that
23 they would have access to in universities
24 acting independently as non-integrated.

25 Within that context, our programs are

1 always evolving. Program review and program
2 reduction and program addition is not new. I
3 can speak -- you know, and so, where you have
4 a program like physics or philosophy, which is
5 graduating, you know, five, six, seven
6 students in a five-year period, it -- where do
7 you -- where do you get the money to sustain
8 it? That's the challenge that we face.

9 Four, five, or six of our
10 universities had been underwater in terms of
11 their academic program already costing more
12 than the university was earning in terms of
13 enrollment and state funding. So, you know,
14 you got to make these tradeoff decisions, and
15 we typically make tradeoff decisions in two
16 ways. One of them is where's the student
17 demand? A program like Celtic poetry, which
18 graduates two students in ten years, is not
19 sustainably affordable.

20 Now, the other advantage that would
21 be the advantage that we have in the state
22 system is that when we eliminate Celtic poetry
23 at one university, it doesn't mean we have to
24 eliminate Celtic poetry across the system.
25 So, we work together across our universities

1 to ensure that no -- to ensure that we are
2 being very deliberate before we eliminate the
3 last instantiation of a subject area. We make
4 sure, very carefully, is this something we
5 really want or need to do.

6 So, I can say very confidently that
7 physics, while it may no longer exist
8 face-to-face on a particular campus, exists
9 within the system.

10 REPRESENTATIVE SCHWEYER: Chancellor,
11 that's not what we heard for the better part
12 of the last couple of years. What we heard
13 for the last couple of years is this is going
14 to result in no reduction in majors; we're
15 going to expand opportunities.

16 What we did hear was, if we don't do
17 this, schools are going to close. So, we were
18 told, it's -- we're going to have the
19 opportunity to have all of these majors.
20 We're going to have the opportunity to let
21 students have the full breadth of
22 opportunities that they have. Never once, in
23 all of the hearings that we ever had, did any
24 member of this general assembly hear that
25 physics may not be a major being offered at

1 state-owned universities. Never have we ever
2 heard that.

3 We heard that schools are going to
4 close if we don't do this. I don't -- I do
5 not doubt that for one second. But never did
6 we hear that majors, especially ones like
7 physics -- this is a room full of politicians.
8 If you would have come in here and said, We
9 are closing the physics majors in certain
10 universities, we would have recoiled at that.
11 Never once did we hear this.

12 Celtic poetry has been a -- I've
13 heard that major as a "do we really
14 necessarily need this?" I've never heard
15 physics. And I've never heard -- in all of my
16 hearings did I ever hear that majors reduced
17 was -- was something that was absolutely going
18 to happen. I heard schools might close. But
19 I never heard that majors were going to go
20 away. Number one.

21 I've heard you say people are going
22 to have more opportunities of majors. And you
23 just said Cal's going from one twenty to a
24 hundred. That is less. I may not have been
25 math major at Penn State, but I know one

1 hundred is less than one twenty. And so,
2 that's what -- that's what you just said. And
3 I just don't understand it.

4 Now, I guess, moving forward --
5 because, you know this cat's out of the bag.
6 I lost this fight. It is what it is.
7 Where -- how are you going to -- to increase
8 your enrollment with offering less
9 opportunities for our students?

10 CHANCELLOR GREENSTEIN: I think you
11 and I will just have a different -- have to
12 agree to disagree about what we --

13 REPRESENTATIVE SCHWEYER: I think
14 we've been doing this enough, so I'll accept
15 that.

16 If you can explain how we're going to
17 attract more students with less opportunities,
18 I'd like to know that.

19 CHANCELLOR GREENSTEIN: I just
20 don't -- I just don't accept the fact that
21 we're going to have fewer opportunities. We
22 are going to have more than we would otherwise
23 be able to afford.

24 Representative, if we want physics
25 standing up face-to-face on every single

1 campus, I need to go back and rewrite the
2 budget ask. Or we could charge students.
3 Should we do that? We're already at 23,000.
4 We're already -- where would you like us to
5 find the resource -- these are your
6 universities. So, really, the question is for
7 you. Are you, as a collective, interested in
8 ensuring that every -- each one of our
9 fourteen universities has the full spate of
10 liberal arts, science, and applied courses?
11 Harvard doesn't do that. Just saying.

12 So -- but if -- we would like to --
13 if that is what you wish to have in your
14 universities, please give us that direction
15 and, of course, the funding envelope to
16 follow. If you'd like me to cost out --

17 REPRESENTATIVE SCHWEYER: Sir --

18 CHANCELLOR GREENSTEIN: -- what it
19 would cost to have physics --

20 REPRESENTATIVE SCHWEYER: Sir --

21 CHANCELLOR GREENSTEIN: -- standing
22 up on every campus, I can tell you.

23 REPRESENTATIVE SCHWEYER: Sir, all
24 due respect, what I would have liked was a
25 consistent message from you, aside from, We're

1 closing a couple universities.

2 CHANCELLOR GREENSTEIN: You have had
3 that, sir.

4 REPRESENTATIVE SCHWEYER: Okay.
5 Again, we'll agree to disagree.

6 Thank you, Mr. Chairman.

7 APPROPRIATIONS MAJORITY CHAIRMAN

8 SAYLOR: We have been joined by Representative
9 Krueger and Representative Mako as well at
10 this time.

11 And with that, we'll move on to our
12 next testifier -- or our next questioner is
13 Representative Torren Ecker.

14 REPRESENTATIVE ECKER: Good morning,
15 Mr. Chancellor. Thanks for being here.

16 CHANCELLOR GREENSTEIN: Good morning.

17 REPRESENTATIVE ECKER: Shift gears
18 and talk about another subject that has been
19 brought to my attention. And I'm just kind of
20 curious what -- what PASSHE's position is on
21 this. Are you familiar with the term
22 "scholarship displacement," the concept?

23 CHANCELLOR GREENSTEIN: Can you hum a
24 few bars?

25 REPRESENTATIVE ECKER: Sure, I can.

1 So, essentially, a student gets a private --
2 gets a financial package from one of your
3 schools.

4 CHANCELLOR GREENSTEIN: Yeah.

5 REPRESENTATIVE ECKER: And then goes
6 out and gets a private scholarship, and
7 there's a reduction, then, of the aid package
8 that comes then from the university.

9 CHANCELLOR GREENSTEIN: Yeah.

10 REPRESENTATIVE ECKER: Is that
11 something that the PASSHE schools engage in
12 that you're aware of?

13 CHANCELLOR GREENSTEIN: So, I -- I --
14 the answer is I don't know.

15 REPRESENTATIVE ECKER: Okay.

16 CHANCELLOR GREENSTEIN: Yeah.

17 REPRESENTATIVE ECKER: Yeah. I'd
18 appreciate if you could try to -- I don't know
19 if that's a school-by-school determination or
20 how that works --

21 CHANCELLOR GREENSTEIN: Yeah.

22 REPRESENTATIVE ECKER: -- as far as
23 financial aid.

24 CHANCELLOR GREENSTEIN: Typically, we
25 try to package students and give them a clear

1 understanding of what their total cost of
2 attendance will be over a four-year period.

3 REPRESENTATIVE ECKER: Sure.

4 CHANCELLOR GREENSTEIN: If that makes
5 sense.

6 REPRESENTATIVE ECKER: Sure.

7 CHANCELLOR GREENSTEIN: And it's
8 important for the student, because of
9 predictability in terms of expenditure. So,
10 that's the work we typically try to do.

11 REPRESENTATIVE ECKER: Sure. The
12 reason I ask is, you know, we're obviously
13 talking -- I think it's part of your ask is --
14 is to ask for more aid for students and as
15 part of those financial packages. So, I think
16 it's really important that if students go out
17 and have the will to go out and get their own
18 private scholarships, whatever it may be,
19 whether it's from their high school or from
20 the Rotary Club or whatever --

21 CHANCELLOR GREENSTEIN: Yeah.

22 REPRESENTATIVE ECKER: -- that, if
23 they are awarded those scholarships, then
24 their package from XYZ, you know, PASSHE
25 school shouldn't be reduced just because they

1 went out and put the work in.

2 CHANCELLOR GREENSTEIN: Correct. And
3 many of -- most or many of our scholarships --
4 and certainly the 200 million that I believe
5 was proposed in the governor's budget and
6 certainly that we asked for, would be
7 considered a last-dollar scholarship. So,
8 that would mean that you make up the delta
9 after the student's gone out and got all those
10 other forms of award.

11 REPRESENTATIVE ECKER: Okay.

12 CHANCELLOR GREENSTEIN: The last
13 dollar in would be the dollars from the
14 scholarship funds.

15 REPRESENTATIVE ECKER: Excellent.
16 And like I said, if you could follow up, I'm
17 going to ask this a lot over the budget
18 hearings, the various universities that appear
19 for us.

20 So, I appreciate your time and thanks
21 for being here.

22 CHANCELLOR GREENSTEIN: Thanks.

23 APPROPRIATIONS MAJORITY CHAIRMAN

24 SAYLOR: We've also been joined by
25 Representative Struzzi here in the hearing

1 room.

2 Next questioner is Representative
3 Isaacson.

4 REPRESENTATIVE ISAACSON: Thank you.

5 By the way, Representative Kinhead's
6 here also. And Vaughn.

7 Hello, Chancellor.

8 CHANCELLOR GREENSTEIN: Good morning.

9 REPRESENTATIVE ISAACSON: Okay. I'm
10 not known for this, but maybe I'll bring the
11 temperature down a little bit in here.

12 And for the information of the
13 Appropriations Committee, on the Education
14 Committee, we have been having a robust
15 discussion with the chancellor over his --
16 over the work and concepts of the community
17 colleges and the PASSHE system working
18 together so that we can have a more cohesive
19 higher education system together. And to --
20 that's going to be where I'm going on my
21 question here.

22 And I know that you have testified in
23 front of the Education Committee, that you
24 have been working with the community colleges
25 with regard to the acceptance of the credits

1 and the transfers, and we're happy to hear
2 that you're working on agreements amongst them
3 so that we can have a cohesive education
4 system, and that is where my question goes,
5 with part of the redesign and maybe a softer
6 way of putting it than Representative Schweyer
7 had.

8 Are you working to make complementary
9 programs and services so that you're not
10 necessarily -- as you're doing your redesigns,
11 so that you're not necessarily competing with
12 our other higher education institutes when
13 you're supposed to hopefully be feeding off
14 each other, especially the community colleges?

15 CHANCELLOR GREENSTEIN: So, I think
16 the answer to that question is yes, but on a
17 one-on-one, bilateral basis. So, for example,
18 HACC, Harrisburg Community College, has just
19 joined with Harrisburg University and
20 Shippensburg to create a range of programs
21 that satisfy unmet need in supply chain,
22 particularly with respect of supermarkets.
23 So, there's a great example of programmatic
24 alignment.

25 And you'll see that in -- in

1 articulation agreements that would be struck
2 between universities and their -- one of their
3 partner community colleges.

4 At the systemic level, the answer is
5 no. We have unleashed -- our presidents have
6 unleashed themselves, community college and
7 universities, on -- you know, following on
8 from the work on transfer, and they basically
9 ask themselves the question: What else should
10 we be doing?

11 And I still look forward to looking
12 at the result. I mean, I know our presidents
13 are looking at things like reverse transfer,
14 dedicated financial aid for transfer students,
15 advising supports. I don't know whether
16 academic -- systemic academic program planning
17 is on the cart. I think it would be
18 challenging insofar as we work as a system.
19 So, we do academic program planning as a
20 system, gives us the opportunity to make sure
21 that we're not exiting the last program of X
22 in the system. Our universities work together
23 that to make sure that the complimentary
24 profile is good.

25 The community colleges don't work in

1 that way. They're all independent of one
2 another. But there's certainly room for --
3 there's certainly opportunity in that
4 corridor.

5 REPRESENTATIVE ISAACSON: Okay. And
6 I'm not going to take too much time on this.
7 I just want to -- so, you're working
8 individually, each -- the community colleges
9 are working with the PASSHE system college
10 that are in their region, should we say?

11 CHANCELLOR GREENSTEIN: Correct.

12 REPRESENTATIVE ISAACSON: And so,
13 it's not going to be system wide on either
14 scale. But you're going to continue working
15 together, because it's going to be extremely
16 important if we go down this discussion path
17 that the governor has gone down again with
18 regard to the scholarship programs, and your
19 programming and competing for students and the
20 scholarships that's created --

21 CHANCELLOR GREENSTEIN: Yeah. And
22 I --

23 REPRESENTATIVE ISAACSON: -- because
24 both your students and the community college
25 students, according to his proposal, would be

1 eligible for these scholarships. And we
2 certainly -- again, we don't need community
3 colleges and PASSHE trying to take each other
4 apart looking for their student base.

5 CHANCELLOR GREENSTEIN: Yeah. And
6 just for edification, I would say that the
7 competing -- competition narrative is way
8 overplayed, probably, in the state. It's --
9 some places it is appropriate. And the reason
10 I say that -- and there is areas where there
11 is competition. The reason I say that is, in
12 workforce areas where there is need -- health
13 care -- the need is huge. It is way beyond
14 the need of any of us to fill in the short
15 term. Right?

16 So, really, what we're talking about
17 is alignment and in key areas. That's one of
18 them. IT's probably another. Actually,
19 agribusiness, supply chain. It's all over the
20 place. You know, it's all hands to the pump
21 because the gaps are so big.

22 REPRESENTATIVE ISAACSON: Well, I
23 understand that. And, certainly, we, as the
24 funders and the overseers, we don't want
25 necessarily you two trying to cannibalize each

1 other. So, work together.

2 Thank you.

3 CHANCELLOR GREENSTEIN: Thank you.

4 APPROPRIATIONS MAJORITY CHAIRMAN

5 SAYLOR: Our next questioner is Representative
6 James.

7 REPRESENTATIVE JAMES: Thank you,
8 Mr. Chairman.

9 Welcome, Chancellor.

10 CHANCELLOR GREENSTEIN: Good morning.

11 REPRESENTATIVE JAMES: I would like
12 to ask for two updates, very briefly. The
13 first softball is, the last time we talked,
14 there was an opportunity, perhaps, to sell the
15 Dixon University headquarters building. I'd
16 like an update status on that, please.

17 CHANCELLOR GREENSTEIN: Well, I can
18 tell you that I had to clear out my office.
19 So, we expect it to be sold. We expect the
20 contract to be signed and the building sold
21 within the next six weeks.

22 REPRESENTATIVE JAMES: From what spot
23 will the system operate following that sale?

24 CHANCELLOR GREENSTEIN: So, I am in
25 my daughter's bedroom. We have a property out

1 on Vartan Way, which is a leased property, and
2 that will satisfy our needs for quite some
3 time, until the lease expires. And if it's
4 not renewed, we're already looking for
5 alternative accommodations, hotel space, et
6 cetera, for -- for staff who -- who need it,
7 and, obviously, to be able to host the board
8 and do whatever else we need to do in
9 Harrisburg. But we've virtually now moved
10 completely remote.

11 REPRESENTATIVE JAMES: Okay. Thank
12 you. Congratulations.

13 I'm a product of the system. For a
14 long time, I felt eventually it was going to
15 be difficult, at fourteen different
16 universities, to offer all things to all
17 people, which is something we've been
18 discussing again this morning.

19 So, another status update, if you
20 would please, on the continuum of coordinating
21 across the system, whatever classes we're
22 going -- whatever curriculum we're going to
23 offer, about how close are we to completion of
24 that coordination?

25 CHANCELLOR GREENSTEIN: So, program

1 planning is -- so, program planning is never
2 done. We're always evolving. You need us to
3 evolve. We can't imagine what new subject
4 areas we're going to be having to go into in
5 order to satisfy student and employer demand
6 in the future. And as a consequence, we're
7 always also rolling out of programs which no
8 longer meet anybody's needs. That is part of
9 life and higher education. Some people don't
10 like it. And it's just a pragmatic part --
11 it's a part of our reality.

12 So, where we've been focused is in
13 putting in place the infrastructure that
14 enables students from one university to have
15 access to courses at another. We've just made
16 a significant investment in the systems
17 environment that will enable that to happen.
18 It's single-student information system that
19 will allow students to seek courses that are
20 available to them, to take those courses, et
21 cetera, and then to receive credits, should
22 they complete their course as they expect to.

23 So, that is now underway. Completion
24 is 2025. The first live instantiation will be
25 our integrated entities in 2022-'3, and then

1 the whole system will be up and running across
2 the universities by 2025. That's the system
3 side.

4 On the programming side, our provosts
5 work together constantly to review each
6 other's program complement, program
7 footprints, advise, ensure that we have a
8 complement which is appropriate for the
9 region, for the universities themselves, but
10 that works also across the system. We have
11 those -- we try to iron out unnecessary
12 competition and redundancy to the best -- and
13 I would say that on that program planning and
14 decision making, we're probably there.

15 REPRESENTATIVE JAMES: Okay. Great
16 answer.

17 Thank you so much.

18 APPROPRIATIONS MAJORITY CHAIRMAN

19 SAYLOR: Next questioner is Representative
20 Ciresi.

21 REPRESENTATIVE CIRESI: Thank you,
22 Chancellor. Good to see you here today. Last
23 time it was virtually, I know.

24 So, I have two questions. One is a
25 little bit of a concern. I read the article

1 about Lock Haven reducing the music program.
2 And what was profound to me was the
3 elimination of a program in the field that I
4 grew up in and the field I went to school for,
5 the Steinway program. Steinway is, if not the
6 premiere in America, the premiere in the world
7 piano. And when you're a Steinway-designated
8 school, the enrollment, if it's marketed as a
9 Steinway-designated school, could be
10 profoundly higher than a school that's not.

11 And if anyone is not familiar with
12 what a Steinway is, it's like having a Toyota
13 or having a Rolls Royce. The Steinway pianos
14 are in Juilliard, everywhere in the world that
15 is anything in music has a Steinway program.

16 So, I was a little upset to see not
17 only was the program eliminated, and maybe
18 through the lack of attendance, but even where
19 some of those pianos ended up going, rather
20 than all into the university system. It's
21 nice that we gave one to an elementary school,
22 but the value of a Steinway, when we're
23 talking about money, I think that was a
24 mistake on behalf of what went on there.

25 So, I just would like to know about

1 where those pianos ended up. This may not be
2 one of the bigger questions, then I'll get to
3 another question. But can you just address
4 that?

5 CHANCELLOR GREENSTEIN: Yeah. I
6 think several were distributed to schools
7 within the system, and then, of course, the
8 article picked up the ones that were
9 distributed outside the system.

10 REPRESENTATIVE CIRESI: Do we know
11 the value of those?

12 CHANCELLOR GREENSTEIN: I do not.

13 REPRESENTATIVE CIRESI: Some of those
14 could be in the hundreds of thousands.

15 CHANCELLOR GREENSTEIN: Yeah. I do
16 not.

17 REPRESENTATIVE CIRESI: The other
18 question gets to the Steinway issue, I guess,
19 and I've hammered you on this one, and you
20 know it: marketing.

21 When I look at the name of what's
22 being proposed, Pennsylvania Western
23 University, Pennsylvania Eastern University.
24 We are one Pennsylvania. So, I'm confused by
25 why we would -- wouldn't just be Pennsylvania

1 University of West Chester, Pennsylvania
2 University of Edinboro, why we have the west
3 and the east that we're putting in the title.
4 Because, from a marketing standpoint, if we're
5 going to brand everything, the one name,
6 SUNY -- which you refer to all the time, it's
7 not SUNY north, east, west, or south, it's
8 just SUNY New York -- why we aren't sticking
9 with one name across the Commonwealth.

10 CHANCELLOR GREENSTEIN: So, statute,
11 Act 188, requires all of us -- all of our
12 universities to include the university --
13 "University of Pennsylvania" in their title.
14 So, by statute, that's required. It does
15 not -- we are not required to market under
16 those names, and over time, that's where
17 you've seen the variation.

18 So, West Chester University describes
19 itself in its market as West Chester
20 University. Its formal title is West Chester
21 University of Pennsylvania. IUP integrates
22 the University of Pennsylvania into its title.
23 So, the variation has emerged over --
24 historically.

25 Thing one, why aren't we marketing

1 the system? It's interesting. There's a
2 number -- it's an area of interest, I'll say
3 it that way, that we're looking at. And
4 there's a number of points of view. I'll give
5 you two. So, one of them is, we should have a
6 SUNY-like brand, and we should go out and
7 build that brand. And then universities could
8 affiliate with it and build on it.

9 The other point of view is, there is
10 no brand, and brands are expensive to build,
11 and every dollar we spend building a brand
12 that doesn't exist is a dollar taken away from
13 a university that would be using it in
14 enrollment management.

15 REPRESENTATIVE CIRESI: Chicken or
16 the egg.

17 CHANCELLOR GREENSTEIN: Chicken or
18 the egg.

19 So, where we're proceeding is to --
20 and, really, these hearings are critical -- to
21 help to redefine the power of public higher
22 education and associate Pennsylvania State
23 System and its universities with public higher
24 education as the affordable bridge to
25 opportunity that works. Right? That's not

1 the tag line. I didn't make that up and we
2 didn't -- I mean, I just made that up. But
3 that's where we're going is to really think
4 about the branding and advocacy together.

5 REPRESENTATIVE CIRESI: Well, and I
6 applaud that idea. What my issue is, is that,
7 under one of these statements that you had
8 here, it says: New university name, the new
9 university of west would be Pennsylvania
10 Western University of California, Edinboro,
11 Clarion. Why wouldn't it just be Pennsylvania
12 University at Edinboro, at West Chester, at
13 Bloomsburg? Why do we have to have the "west"
14 part in there or the "east" part? Why can't
15 we brand it under just one name?

16 CHANCELLOR GREENSTEIN: So, Penn West
17 was in a unique set of circumstances,
18 different in the northeast. So, Penn West was
19 going to operate at each of its universities:
20 Edinboro, Clarion, and Cal. They have market
21 value. They have brand in their regions and
22 statewide and elsewhere. So, they want to
23 retain that. But they also are building a
24 singular and integrated online -- fully online
25 program which has no name. So, they needed --

1 they are genuinely brand building from
2 scratch. So, their circumstances were very
3 different than elsewhere.

4 They needed to be able to brand that
5 entity. So, that led them to Penn West, which
6 is a title that they'll use now and associate
7 with the other campus names at the other
8 campuses. It allows them to do both and --
9 keep local brand but, at the same time, build
10 something new for the integrated online
11 presence.

12 REPRESENTATIVE CIRESI: Thank you.

13 APPROPRIATIONS MAJORITY CHAIRMAN

14 SAYLOR: Next questioner is Representative
15 Kinkead.

16 REPRESENTATIVE KINKEAD: Good
17 morning. I figured if I didn't get introduced
18 that I would just pop up, like the groundhog,
19 and be like, Six more weeks of questioning.

20 So, kind of coming off of
21 Representative Schweyer's questions, as you
22 know, because we've talked about it, I was a
23 biology major at Bloomsburg. In pursuing that
24 degree, I had to take physics courses and math
25 courses and chemistry courses. I had to take

1 so many chemistry courses that I only needed
2 one more course to get the minor in chemistry.

3 How are wrapping up majors like
4 physics at Bloomsburg University, how is that
5 impacting other academic programs that rely on
6 those classes and those courses to -- for
7 their students to complete those majors?

8 CHANCELLOR GREENSTEIN: Yeah. So,
9 when a -- so, the elimination of a major
10 doesn't necessarily mean the elimination of
11 instruction in that subject. Right? So, the
12 way that program array development and
13 redevelopment will work is you identify,
14 here's the program of studies that we're going
15 to ensure we have. And then here's how we're
16 going to ensure that the requirements for
17 those majors or degrees are met. Right? And
18 so, the elimination -- don't confuse the
19 elimination of a major or a degree with the
20 elimination of instruction in that program at
21 an institution.

22 REPRESENTATIVE KINKEAD: I understand
23 that.

24 CHANCELLOR GREENSTEIN: Okay.

25 REPRESENTATIVE KINKEAD: My concern

1 is that if you are eliminating majors, that we
2 are losing the quality instructors that are no
3 longer able to offer a major in their field of
4 study, that they're going to pursue employment
5 elsewhere, where they can teach to a major.
6 Are you seeing or are you concerned about that
7 as a possibility?

8 CHANCELLOR GREENSTEIN: I'm not
9 seeing it, and, no, I'm not concerned about it
10 as a possibility.

11 REPRESENTATIVE KINKEAD: Why?

12 CHANCELLOR GREENSTEIN: I'm waiting,
13 because I'm not seeing it. Because if I was
14 concerned about all the possibilities, I
15 probably wouldn't sleep very much at night.
16 And that would not -- I mean, so, you know, I
17 really have to deal with information which is
18 in front of me.

19 REPRESENTATIVE KINKEAD: Um-hum.

20 CHANCELLOR GREENSTEIN: And I'm not
21 seeing information in front of me that
22 suggests that's a source of concern.

23 REPRESENTATIVE KINKEAD: Okay.

24 So, in my time at Bloomsburg, one of
25 the most critical pieces of my education was

1 not in the classroom. It was actually with
2 student organizations. And I kind of joke
3 that the Democracy Matters organization at
4 Bloomsburg derailed my life plan, which was to
5 go to veterinary school. Here I am. And --
6 but I will say that it absolutely transformed
7 my life, and it wasn't an academic program.

8 Now, that's something that I got
9 connected to because I just was assigned a
10 freshman course that I never would have taken
11 otherwise as a gen ed course. But it was
12 because I was there in person, and I was able
13 to talk to the professor and get connected in
14 that capacity.

15 How are you planning to help students
16 to address the fact that if they're taking
17 more courses online, if they're, you know, at
18 Mansfield and their professor's at Bloomsburg,
19 how are you trying to bridge the gaps to be
20 able to make sure that these students are able
21 to access the kind of networking that should
22 happen in a classroom but can't?

23 CHANCELLOR GREENSTEIN: Sure. Yeah.

24 So, first point -- so, great, you
25 testified to the power of public higher

1 education. We were talking about that before,
2 and that is a beautiful thing.

3 The second is that all of the general
4 education curricula will be available
5 face-to-face on each of the university
6 campuses, including within the integrated
7 universities. And the other thing I can point
8 you to is data that we collected over the
9 course of the last summer, which shows that
10 students who have access to a major area of
11 interest -- students who want to change their
12 major and have access to that major area of
13 interest within their university will
14 typically stay within their university as
15 opposed to go to another one, which is one of
16 the benefits of integration. We would be
17 losing students as universities got smaller
18 and they had to abandon even more programs,
19 you know, then they would lose students. This
20 really mitigates against that.

21 And to your specific question, our
22 universities are fundamentally restructuring
23 their student supports in order to tailor them
24 to the needs of the university.

25 REPRESENTATIVE KINKEAD: Yeah. What

1 does that look like though? Because more so
2 my question was about student organizations,
3 not necessarily gen ed.

4 CHANCELLOR GREENSTEIN: Usually,
5 the -- so we work very closely with our
6 students, and we've asked them what do you
7 want to do with your student organizations.
8 The student organizations themselves,
9 understand, are affiliates of the university.
10 So, they're -- they -- they kind of control
11 their destiny. And it's been really an
12 interesting conversation. They all want to
13 remain separate, university by university, but
14 they want to learn and get to know one
15 another. So, I mean, I -- it's hard to
16 predict anything, but I would predict that
17 they would get closer and closer together over
18 time.

19 Whether or not they would ever
20 come together, I don't know. But right now,
21 the way they're driving is to try to have the
22 best of both worlds, to have the local
23 control, if I can put it that way, as well as
24 the opportunity for cross fertilization and
25 cross learning.

1 REPRESENTATIVE KINKEAD: Just the
2 last thing, last time we talked about what the
3 greatest threat to this consolidation was, and
4 you specifically and very quickly pointed out
5 burn out. And I'm wondering what it is that
6 you're doing in order to address that issue.

7 CHANCELLOR GREENSTEIN: Yeah. That's
8 a great question.

9 So, we're very conscious of it. And
10 we're actually looking at -- sounds weird,
11 trying to, you know -- so imagine a project
12 plan with lots of swim lanes, and there's a
13 lot of points of intersection, reporting
14 requirements, et cetera. So, we're trying to
15 look within each swim lane and pare them back
16 to the absolute bare necessity to lighten up
17 on the reporting requirement, where possible,
18 to minimize the process requirement. Overhead
19 costs are often processed as meetings. So,
20 paying a lot of attention in that regard.

21 I think the other thing which I'm
22 seeing is that, you know, there's -- not every
23 swim lane is operating at the same speed at
24 the same time. So, it's -- the intensity of
25 work materializes differently across the

1 institution.

2 I think the other thing it forces us
3 to do is to really -- and in a good way -- is
4 to really strengthen our muscles as a culture
5 of acknowledgement. Very few organizations
6 are sort of cultures of acknowledgement: You
7 did a great a job, thank you. And it's
8 amazing how important that is. And to be able
9 not just to say "thank you" but to reward
10 people in a variety of ways. So, I think it's
11 giving us an opportunity to rethink how we
12 improve our culture, strengthen our culture,
13 develop our faculty and staff.

14 REPRESENTATIVE KINKEAD: Thank you.

15 CHANCELLOR GREENSTEIN: Thank you.

16 APPROPRIATIONS MAJORITY CHAIRMAN

17 SAYLOR: Our next questioner is Representative
18 Schroeder.

19 REPRESENTATIVE SCHROEDER: Hi,
20 Chancellor. How are you?

21 CHANCELLOR GREENSTEIN: Good morning.
22 I'm great. Thank you.

23 REPRESENTATIVE SCHROEDER: Thanks for
24 being here.

25 So, I want to make sure I understand

1 specifically that we have a -- I'm trying to
2 think how to preface this -- I'll say -- okay.
3 So, I understand the state Board of Governors
4 has approved a continued advocacy for
5 increases from the Commonwealth for direct
6 support to students. So, what does that look
7 like and what are you looking for?

8 CHANCELLOR GREENSTEIN: So, direct
9 support to students, 200 million dollars. We
10 talked about -- in our general statement that
11 we circulated to the general assembly and the
12 governor, we talked about distributing those
13 funds to optimize around three different
14 outcomes, one of them is get students into
15 programs that lead to high-demand occupations;
16 another is need, students who need; and then a
17 third is -- I'm going to call it efficiency,
18 which really gets at the community college
19 transfer, student who goes to a community
20 college and then comes to a university to get
21 their bachelors or BS degree is a very
22 efficient use of taxpayer dollars.

23 So, we try to optimize around those
24 three outcomes.

25 REPRESENTATIVE SCHROEDER: Okay. So,

1 with the obligation of the students, like, do
2 they have to make sure that they stay that
3 semester? If they don't, do they have to pay
4 it back? Like, how does that operate?

5 CHANCELLOR GREENSTEIN: So, I want to
6 distinguish between what we put forward in our
7 general funds appropriation and in our --
8 sorry, in our needs statement and the
9 governor's proposal, which is a Nellie Bly
10 scholarship.

11 REPRESENTATIVE SCHROEDER: So,
12 they're different. That's why --

13 CHANCELLOR GREENSTEIN: Correct.

14 REPRESENTATIVE SCHROEDER: -- are
15 they different?

16 CHANCELLOR GREENSTEIN: Correct. I
17 mean, they would serve a similar purpose, if I
18 can say, but -- yeah, they would serve a
19 similar purpose.

20 REPRESENTATIVE KINKEAD: Okay. So,
21 how does that -- how does that differ from
22 then the Nellie Bly? Would that help you?
23 Was that something you're looking for, too?
24 Or this is separate because there's three
25 components of what you're looking for.

1 CHANCELLOR GREENSTEIN: Yeah. So,
2 Nellie Bly would, in effect, serve the same
3 purpose of the 200 million. The difference is
4 that Nellie Bly is a -- there's a contingency
5 that students work within the state for "N"
6 years -- I think "N" is five or six -- after
7 graduation.

8 REPRESENTATIVE KINKEAD: Yes.

9 CHANCELLOR GREENSTEIN: And then
10 there is a contingency that the scholarship
11 money -- for students who worked -- who did
12 not do that, they would, I believe, need to
13 repay the scholarship.

14 REPRESENTATIVE KINKEAD: Oh, okay.
15 But with what you are looking for, is there
16 any obligation of the student then to, like,
17 if the student transfers, they stop mid
18 semester and stop going to class, decide to
19 leave the university, is there obligation for
20 them to pay that back or how does that
21 operate? Or who's eligible for it, too?

22 CHANCELLOR GREENSTEIN: Yeah, it
23 would be -- and any student enrolling in a
24 Pennsylvania State System university would be
25 eligible for it. We did not go far into the

1 distribution mechanics because we wanted to
2 have these kinds of conversations with
3 stakeholder, owners, et cetera, about, you
4 know, where -- you know, we floated the idea
5 of optimizing around workforce need need and
6 community college transfer.

7 REPRESENTATIVE SCHROEDER: Okay.

8 CHANCELLOR GREENSTEIN: But we didn't
9 actually go into, okay, exactly what does that
10 look like.

11 REPRESENTATIVE SCHROEDER: Or if
12 it's, like, regional, specific, like --

13 CHANCELLOR GREENSTEIN: Correct.

14 REPRESENTATIVE SCHROEDER: -- the
15 need of that industry, of that workforce
16 there. Okay. That was my question.

17 Thank you so much.

18 CHANCELLOR GREENSTEIN: Thank you.

19 REPRESENTATIVE KINKEAD: Thank you,
20 Chairman.

21 CHANCELLOR GREENSTEIN: Can I get
22 asked about the pianos again? Because I think
23 I have new information.

24 APPROPRIATIONS MAJORITY CHAIRMAN

25 SAYLOR: Chancellor, your next questioner is

1 Representative Webster.

2 And, Chancellor, I will say, any time
3 you need to explain something more in depth,
4 you're welcome to do that.

5 CHANCELLOR GREENSTEIN: Okay. I
6 appreciate that. I'll come back to the pianos
7 then.

8 If I can do it now, the pianos
9 were -- the pianos were actually given back to
10 their donor, and their donor made the
11 distribution. And there was zero cost to the
12 university or the system. Thank you. And I'm
13 sorry I didn't have that the first time.

14 REPRESENTATIVE WEBSTER: Good
15 morning, Chancellor.

16 CHANCELLOR GREENSTEIN: Good morning.

17 REPRESENTATIVE WEBSTER: I'm going to
18 introduce myself a little bit, which I don't
19 usually do, but I've spent -- just a little
20 bio -- I've spent about ten years at a Fortune
21 500 company. I have twice been a faculty
22 member in academia. And, so, I want to point
23 out to a lot of people that the business model
24 for academia is not or should not be the same.

25 I think the distinctions, and I think

1 we sometimes transgress to think that supply
2 chain might be the same as students, you know,
3 who come into the process, and we overestimate
4 or we lose the nuance of what education really
5 needs to be for the welfare of Pennsylvania
6 and the commercial sector and the growth of
7 those students.

8 You know, because my question about
9 the Steinway pianos would be, there is a great
10 symphony somewhere that didn't get written
11 because some composer, young composer, didn't
12 hear what he or she needs to hear when you're
13 at the better instrument. Right? So, we lose
14 those things, not always the dollar value.

15 But what I would like to connect, I
16 guess, for a moment is, we have a budget
17 request, and we're concerned about high
18 tuition. And we don't -- I don't think we've
19 said out loud, and I'd like to hear, you know,
20 your input on how those things are actually
21 very directly connected.

22 CHANCELLOR GREENSTEIN: So, I think
23 I've been clear about tuition for years. Our
24 tuition is second or third highest across all
25 comparable universities nationally. And

1 because it's so high, we're pricing people out
2 of higher education. Because we're pricing
3 people out of higher education, the talent gap
4 in Pennsylvania's workforce is large and
5 growing. And tuition is the fundamental -- in
6 my view -- and it's in the general needs
7 statement that we put forward to the general
8 assembly -- in my view, in our view, tuition
9 is the greatest single obstacle to enrollment.
10 But it's not about enrollment. It's not about
11 universities. It's about the state of
12 Pennsylvania.

13 And it goes back to the, you know,
14 great symphony and the liberal arts education.
15 These are your universities. What do you want
16 in them? I mean, if you want, you know,
17 low-enrolled programs comprehensively across
18 the state -- I'm a product of a liberal arts
19 education. I went to -- I went to a college,
20 graduate school, I couldn't pronounce most of
21 the words because they were all in Latin, and
22 I benefited from that. So, we know what the
23 cost of running that institution, educational
24 expenditures pushing 70, 80,000 dollars a
25 student. Well, turns out, we can't charge our

1 students that much. At 23,000 dollars, that's
2 our net average price of attendance, they're
3 already abandoning us, mostly from the
4 students who are earning in the middle
5 household income.

6 So -- but if that's the kind of
7 state-owned universities you want, the price
8 tag is 3X.

9 REPRESENTATIVE WEBSTER: Yeah.

10 CHANCELLOR GREENSTEIN: That's rough
11 chancellor math, but it's probably not far
12 off.

13 REPRESENTATIVE WEBSTER: The budget,
14 in my opinion, should reflect that. It's an
15 investment for Pennsylvania. And I'd hazard
16 to make the political statement, you know, if
17 we're voting against that budget, we're voting
18 for increased tuition.

19 CHANCELLOR GREENSTEIN: Yeah. And
20 just to make the point -- I hate to beat a
21 dead horse, but I'm going to give it one more
22 kick -- freezing tuition is not the solution,
23 in my view. Our enrollments are down in ways
24 that do not reflect demographic change. I
25 think the demographic change that we've seen

1 in term of the size of high school leaving
2 population, 2010 to 2020, was shrunk about 6
3 percent. Our enrollment shrunk 27 percent.

4 So, you can't explain what's
5 happening by demographics. Just can't. You
6 can't explain it by full employment, because
7 it just hasn't varied that much over ten
8 years.

9 So, when you begin to winnow what is
10 the cause, you can't explain it by the lack of
11 Steinway pianos. I mean, I'm sorry to -- but
12 the only -- and I'm open to other
13 explanations, but it's the one I keep getting
14 led back -- it's a constant.

15 REPRESENTATIVE WEBSTER: Competitive
16 tuition.

17 CHANCELLOR GREENSTEIN: 40 percent of
18 a middle-income family's income will go to one
19 student in one university for one year. Who
20 can -- most of our family -- who can afford
21 that? And, you know -- and it's no longer a
22 luxury.

23 If 60 percent of the jobs in the
24 state and 90 percent of all new jobs require
25 somebody in them with a postsecondary

1 credential, and we're saying that half or more
2 of our population can't afford one, what are
3 we saying?

4 REPRESENTATIVE WEBSTER: Good
5 statement. Appreciate that.

6 In the nearer term, as you're going
7 through the reorganization and that, what's --
8 what are you reading and what's your estimate
9 on impact, you know, to all enrollment?
10 Because if we don't have a Middle State or a
11 NCAA decision now, I would think a candidate
12 for either an academic program or an athletic
13 program is worried about what fall means.

14 CHANCELLOR GREENSTEIN: So, we have a
15 number of things going for us. First thing
16 is, I don't pay a lot of attention to early
17 data on applications, admissions, deposits,
18 just cause the admissions cycle really only
19 begins to pick up -- you only get a better
20 sense after you're receiving -- you know, in
21 late spring. It's just where we are in the
22 cycle. Early numbers are crazy. So, the ones
23 I'm seeing look fine.

24 But that's not -- I'm -- the thing we
25 have going for us is the general assembly last

1 year -- thank you -- committed 200 million, of
2 which we got 50, and we put a big chunk of
3 that money into what I'm going to call student
4 success programs, which is everything from
5 supporting students who are thinking about
6 coming to a university, providing the supports
7 that they may need, to -- to improving student
8 support, student advising once they're at a
9 university. And I think that we should see
10 some numbers move as a consequence of that
11 investment.

12 REPRESENTATIVE WEBSTER: So -- and
13 when you say "spring," can you -- what I'm
14 really asking is, would you, like, if --
15 whether that's late March or early April, give
16 us --

17 CHANCELLOR GREENSTEIN: I start
18 paying attention sort of April, May.

19 REPRESENTATIVE WEBSTER: I'd like to
20 sort of ask for an update on that, because I'd
21 be concerned that it's impacting enrollment.

22 CHANCELLOR GREENSTEIN: Yeah. Yeah.

23 REPRESENTATIVE WEBSTER: Thanks, sir.
24 Thanks, Mr. Chairman.

25 CHANCELLOR GREENSTEIN: Just to say,

1 my enrollment management people, they pay
2 attention all the time, and if anyone's
3 listening, they should still pay attention all
4 the time. I'm glad they do.

5 APPROPRIATIONS MAJORITY CHAIRMAN

6 SAYLOR: We have been also joined by
7 Representative Staats here.

8 And the next questioner is
9 Representative Krueger.

10 REPRESENTATIVE KRUEGER: Thank you,
11 Mr. Chancellor. Thanks again for joining us
12 here today.

13 So, as a member of the Appropriations
14 Committee, I'd like to dive into the numbers
15 just a little bit.

16 And I want to ask, in particular,
17 about your enrollment assumption, because what
18 I heard you here earlier is that growth
19 assumptions are essential to hitting your
20 goals for the integration for the system.

21 So, my understanding is that we
22 actually have seen a considerable drop in
23 enrollment. Fall of 2021, Northwest went down
24 negative 6.9 percent; west, negative 7.6
25 percent. And we know we're in the midst of a

1 pandemic and higher education has been hit,
2 but, looking forward, it appears that you're
3 projecting 1 percent growth in the northeast
4 system and 2 percent growth in the western
5 system for this next year.

6 So, can you give us a sense of how
7 you came to these numbers, and then your
8 enrollment to date for next fall, what do
9 these projections look like right now?

10 CHANCELLOR GREENSTEIN: Yeah. And
11 just following on the last question, so
12 enrollment to date, you know -- what you can
13 do at this stage is you can count the number
14 of applications. Right? And you're beginning
15 to see a small number of deposits. But,
16 again, it's so early in the cycle, it's --
17 again, I would be -- it would be disingenuous
18 for me to say, Hey, it looks great, or, you
19 know -- it looks fine. But that's not -- I
20 just -- I don't trust the numbers. It's not
21 because I don't trust the numbers, I don't --
22 we're just -- this is where we are in the
23 cycle.

24 Again, I think that -- I think we
25 have a number of things going for us. I think

1 the investment the general assembly has made
2 is going to -- is going to pay off. I think
3 we're going to see some rebound as a
4 consequence of the pandemic's trajectory.
5 Let's hope, God willing, the trajectory
6 continues in a good direction. So, you know,
7 I'm expecting to see us improve next year
8 across the system.

9 REPRESENTATIVE KRUEGER: How
10 confident are you that you'll be able to hit
11 the 1 and 2 percent growth projections for
12 next academic year?

13 CHANCELLOR GREENSTEIN: I'll be --
14 I'll have a higher degree -- I'll have a
15 higher confidence interval next time we talk
16 in April, May.

17 REPRESENTATIVE KRUEGER: Okay. I'm
18 happy to ask that again at the next hearing.

19 CHANCELLOR GREENSTEIN: Yeah, do,
20 please.

21 I'm not being elliptical. I just --
22 you know, what I am seeing and what the trends
23 I'm seeing -- so, our enrollment reductions
24 for COVID-related were a little bit off our
25 sector. Our sector was down 5.4 percent.

1 Overall, I think we're down, I think, 6. Some
2 of our universities are a little higher than
3 that. So, we're kind of on track with the
4 sector. And I'm -- you know, we're seeing
5 higher FAFSA completions across the sector in
6 the population that we serve. So, we're
7 seeing signs that suggest there's going to be
8 a recovery next year nationally as well as in
9 Pennsylvania. So, I'm going to -- you know,
10 I'm going to hold onto those trends until I
11 see different.

12 REPRESENTATIVE KRUEGER: And last
13 question, what happens financially if you
14 don't hit those growth projections?

15 CHANCELLOR GREENSTEIN: We're an
16 enrollment-driven industry, so we just -- we
17 are -- and to the gentleman's point, I mean,
18 the advantage that public higher education
19 has, of course, it's got a public investment.
20 But a public investment at this level, you
21 know, you do have to pay attention to -- 75
22 percent of our revenues come from students.
23 So, as -- as we continue to shrink, we
24 continue to shrink. We just do.

25 There's -- we can't charge our

1 students any more. We've already pulled that
2 lever too hard. They're leaving us because
3 they can't afford it, and they have nowhere
4 else to go in state. That's a problem. It's
5 not a problem for us. This is, in some ways,
6 not about Pennsylvania State System
7 universities, it is about the state of
8 Pennsylvania. And these are your
9 universities. What do you want them to do?
10 Right?

11 So, we can't charge them any more.
12 Where do we go to support those programs,
13 which get more expensive to support as they
14 get smaller?

15 REPRESENTATIVE KRUEGER: So, if the
16 revenue side of the equation doesn't work next
17 year, what happens?

18 CHANCELLOR GREENSTEIN: We continue
19 to get smaller.

20 REPRESENTATIVE KRUEGER: And what
21 does that look like? Smaller staff, smaller
22 programming, smaller leadership team?

23 CHANCELLOR GREENSTEIN: Across the
24 board. We've -- and this isn't new. We've
25 been doing this for a dozen years.

1 What's amazing to me, and it's a
2 credit not to me or my colleagues in the
3 Chancellor's office or to the board, it's a
4 credit to the fabulous staff and faculty on
5 our campuses that we are able to continue to
6 respond to very challenging financial
7 circumstances and still deliver an education
8 which can be -- is life changing.

9 REPRESENTATIVE KRUEGER: You do have
10 fabulous staff. I have gotten to meet many of
11 them, and I know that the working conditions
12 in a pandemic for anyone in the education
13 world have been very challenging.

14 CHANCELLOR GREENSTEIN: Yeah.

15 REPRESENTATIVE KRUEGER: So, I do
16 want to underscore that.

17 I'll ask these questions again when
18 we see you again next quarter. Thank you.

19 CHANCELLOR GREENSTEIN: Please.
20 Thank you.

21 APPROPRIATIONS MAJORITY CHAIRMAN

22 SAYLOR: Our next questioner is Napoleon
23 Nelson.

24 Representative Nelson.

25 REPRESENTATIVE NELSON: Thank you,

1 Chairman.

2 Thank you, Chairman -- Chancellor. I
3 apologize. So, again, thank you for joining
4 us.

5 And there are a couple of items that
6 I just want to try and address. One will be
7 relatively quick, to help us, again, address
8 our constituents who are asking questions
9 regarding program planning.

10 Is there a framework that is codified
11 that helps both explain, with transparency, to
12 students, to staff, faculty, and certainly to
13 the community that you all use when you're
14 approaching program planning? I can
15 appreciate some level of, hopefully not cost,
16 because most of us wouldn't have visibility
17 into the cost of a program. You mentioned
18 that earlier with physics. But is there
19 something that looks at enrollment trends for
20 a major, for a class even, and with some level
21 of a waiver somewhere? Could you explain that
22 and provide that --

23 CHANCELLOR GREENSTEIN: Sure. And
24 we've been doing this for some time. The
25 board has had a policy, a program review

1 policy, to look at programs based on the
2 number of -- you know, to keep programs under
3 review, and to sort of look with particular
4 scrutiny at those which are failing to
5 graduate -- or complete, I should say, any
6 number of -- a specific -- meet a threshold
7 completion over a period of years. I think
8 it's a five-year window that they're looking
9 at, you know, and programs that are, you know,
10 not completing an adequate number of students,
11 you know.

12 And to the gentleman's point earlier,
13 not every program needs to be money making.
14 That's not the point of a university. The
15 point of a university is to run -- to manage a
16 balanced portfolio so that, you know, you want
17 to have those that are not making money at
18 least balanced out by those that are.

19 REPRESENTATIVE NELSON: Sure.

20 CHANCELLOR GREENSTEIN: And
21 universities do that through life. So, yeah,
22 we do go through program review. It's a
23 routine and an ongoing process that happens
24 both at the university and at the system
25 level.

1 REPRESENTATIVE NELSON: And there's,
2 I assume, some level of program dashboarding
3 that would happen so that we can --

4 CHANCELLOR GREENSTEIN: Correct.

5 REPRESENTATIVE NELSON: -- identify
6 those trends in advance.

7 CHANCELLOR GREENSTEIN: Yes.

8 REPRESENTATIVE NELSON: And does that
9 process differ at each individual university?

10 CHANCELLOR GREENSTEIN: Not -- I
11 mean, around the margins, yes. But, generally
12 speaking, I mean, substantively, not really.

13 REPRESENTATIVE NELSON: So, the
14 larger question that I -- thank you for that.
15 And I think that will help me in my district
16 and others hopefully.

17 The broader question around our
18 continued investment, particularly financially
19 in the PASSHE system, really kind of hinges on
20 the notion of, you know, ongoing viability.

21 CHANCELLOR GREENSTEIN: Yeah.

22 REPRESENTATIVE NELSON: And where
23 viability crosses with absolute necessity for
24 the future of Pennsylvania.

25 You mentioned a couple numbers in

1 here, 60 percent of the jobs in the state, 90
2 percent of, you know, the jobs in the future,
3 where's that information coming from?

4 CHANCELLOR GREENSTEIN: So, those are
5 workforce needs assessment that are produced
6 both at the national level, by places like
7 Lumina, but they're tracked here by -- I
8 believe PDE has those numbers. They've been
9 introduced into the master -- educational
10 master planning process as well.

11 REPRESENTATIVE NELSON: So, as you
12 look at that, how do you then qualify -- or,
13 you know, the need for specific programming
14 around the cost of, because so much of what
15 you've talked about is, here's how much it
16 costs to get a PASSHE education, and we need
17 to not just freeze tuition but we need to
18 lower tuition.

19 Is there, again, a universe that
20 you're using to identify what lowered tuition
21 ought to be? Where are we going?

22 CHANCELLOR GREENSTEIN: So, there is.
23 So, you look at a number of things: What's
24 the national average? Where are we in
25 comparison to the national average? We're

1 about -- and I'm talking about net price of
2 attendance, which is tuition, fees, room and
3 board -- so, we're about 6-ish, 6 and a half
4 thousand dollars more than that, the national
5 average. So, we're at the high end, like
6 number two or three comparison to all fifty
7 states. So, we look there.

8 There are good -- our general -- our
9 funding needs is based on research evidence,
10 which shows that for every thousand-dollar
11 reduction in student tuition, you would expect
12 X percent increase in completion. So, we do
13 that.

14 When we're doing our program
15 planning, we look -- we provide our
16 universities with tools that allow them to
17 look at regional as well as statewide
18 workforce need, so they can think about their
19 programs in terms of -- and we ask questions
20 where new programs are being promoted about,
21 you know, what's the demand look like not just
22 from the student side but where -- what are
23 the employment opportunities.

24 So, we've built in a process of
25 program development, which is conscious, not

1 just of the, you know, can you sustain the
2 program, that's obviously important, but does
3 it meet a need, student demand, employer
4 demand.

5 REPRESENTATIVE NELSON: Sure. And
6 so, as you're looking at that from a financial
7 perspective, you're trying to chart a course
8 for us within the general assembly that at
9 least gets you on your path that you've
10 determined, through study, that makes the most
11 sense for the PASSHE system.

12 My understanding, and correct me if
13 I'm wrong here, is that the trends that we're
14 seeing from an enrollment perspective in the
15 PASSHE system aren't wholly defined just by
16 the cost of a degree there, but certainly, I
17 imagine, the applications are still, you know,
18 relatively strong. Could there be a sense
19 that -- I'll say the both uncertainty and
20 environment that exists within our PASSHE
21 campuses may also be a major contributor?

22 CHANCELLOR GREENSTEIN: It may be,
23 except when you look at -- we -- so, you can
24 look at two indicators, right, applications
25 and enrollments. Applications have been flat,

1 for, like, a decade, largely. Enrollments
2 have been declining. But the enrollment
3 decline never spikes, which is interesting to
4 me. There was a strike in 2015, 2016, no
5 obvious -- conversations last year around
6 integration. All right, we had a tough year,
7 but was it a pandemic year or was it an
8 integration year?

9 So, I -- uncertainty doesn't help. I
10 think, sometimes, the dialogue in this body
11 and the way it's reported -- I'm part of it,
12 so I'm going to point my fingers at myself,
13 too -- also doesn't help. You know, I think
14 we need to -- rather than sort of talk about,
15 you know, the challenging issues, are there
16 ways to talk as well about the power and
17 promise of public higher education? We try to
18 do that.

19 So, I do -- so, you know, anything we
20 can do to eliminate or reduce uncertainty and
21 to express the power and promise of public
22 education I think would all be to our benefit.

23 REPRESENTATIVE NELSON: And so, I'll
24 wrap up with this last piece, which says, I
25 agree with you, we absolutely need to invest

1 in our higher education system. I absolutely
2 agree that higher education is the key, and
3 education in general, our public education
4 system, is the key for all of us and our
5 societies as we all get older and need folks
6 to take care of us and need folks to innovate
7 for the next thing.

8 What I also understand to be true,
9 with a high school senior and a high school
10 freshman in my household, is that once you
11 look at schools -- my kids were not trying to
12 sit back and do the math around, well, will
13 this brand be there three years from now, four
14 years from now. The feel of the university
15 and the feel of this system is important. And
16 I will ask and implore that as you continue
17 down this path, as we all continue down this
18 work, that we don't disregard the folks that
19 you started your hearings with, which is
20 really the great and fine work of all of the
21 people who make each of those universities
22 what they are.

23 So, it's been brutal in education in
24 general and certainly within institutions that
25 are looking at significant change. I implore

1 you, again, to bend over backwards to ensure
2 that those stakeholders, all of those
3 stakeholders, both at the institutions on
4 campuses and throughout the state, are even
5 more included than we would usually include
6 them. Make sure that they are even greater
7 champions of what is to come than where they
8 are now. Because it's never going to work.
9 Our dollars are going to be a lost cause if
10 there aren't champions that are on every one
11 of these campuses that are meeting each and
12 every one of those perspective students and
13 the alumni and ensuring that the brand of a
14 Pennsylvania State School of Higher Education
15 meets the promise that we need it to meet.

16 So, make sure, again, that we're
17 working on that, and, obviously, there's some
18 feedback loops for us to ensure that that is
19 happening.

20 We look forward to an additional
21 round of questions. Thank you.

22 CHANCELLOR GREENSTEIN: Great.

23 Thanks so much.

24 APPROPRIATIONS MAJORITY CHAIRMAN

25 SAYLOR: Our next questioner is Representative

1 Rob Mercuri.

2 REPRESENTATIVE MERCURI: Thank you,
3 Mr. Chairman.

4 Thank you, Mr. Chancellor, for being
5 here.

6 CHANCELLOR GREENSTEIN: Good morning.

7 REPRESENTATIVE MERCURI: A couple
8 quick financial questions for you. As it
9 does, a lot of this does come down to what can
10 we afford and what kind of education system
11 are we trying to build.

12 I was looking at the endowments of
13 Pennsylvania universities, and first question
14 off the top is, what is the endowment, if any,
15 of the PASSHE system or the associated
16 universities?

17 CHANCELLOR GREENSTEIN: Yeah. So,
18 the endowment, the foundations, are affiliates
19 of the universities, so there is no system
20 endowment to speak of. And they vary, as
21 you'd expect. You know, I'm going to pull an
22 average out of my head, it's probably not too
23 far off, but it would be 40 to 50 million
24 would be a generous number.

25 REPRESENTATIVE MERCURI: Okay. And

1 just for the record and for the good of the
2 members, the endowments of the non-preferred
3 universities that we also fund as a body are
4 orders of magnitude larger than what you just
5 described for the PASSHE system.

6 CHANCELLOR GREENSTEIN: They are.
7 And they've also -- and this is, I guess, the
8 blessing and the curse of public higher
9 education. The blessing has been public
10 higher education. The curse has been public
11 higher education has not -- does not rely on
12 its endowments to the same extent.

13 Obviously, changing that over the
14 last several years, ramping up private giving
15 really in the last decade as on a needs-be
16 basis, but if you want to work out what it
17 would cost to replace dollar-for-dollar, state
18 dollars as they're removed, about 300 million
19 has been removed over the last several years.
20 Take the last decade, 350 million. Just
21 multiply that number -- what endowment would
22 you need to throw off the 350 million? Right?
23 Assume a 5 percent? It's an unfathomable -- I
24 can't pronounce the word -- number.

25 REPRESENTATIVE MERCURI: Yeah. So,

1 thank you for those comments. The University
2 of Pitt has a 5-billion-dollar endowment.

3 CHANCELLOR GREENSTEIN: University of
4 Pitt was a private institution.

5 REPRESENTATIVE MERCURI: Yeah. We
6 fund Pitt, you know, at a large number as
7 well.

8 Penn State's got on 3-billion-dollar
9 endowment. Temple has a multi-billion-dollar
10 endowment as well. We fund those schools.
11 Penn has a, you know, tens-of-billions-of-
12 dollar endowment. And we fund Penn as well
13 from this body.

14 So, I think, as we think about how
15 we're allocating precious dollars, and we
16 clearly hear the need in the PASSHE system in
17 the request that you have, and we should also
18 understand the financial position of these
19 other non-preferred entities that we're also
20 funding with hundreds of million of dollars.

21 And so, I just wanted to submit that
22 to the record and hear your reaction to it,
23 Chancellor Greenstein.

24 So, thanks for being here.

25 CHANCELLOR GREENSTEIN: Chairman, can

1 I have one point, because it's relevant?

2 So, the other thing I think is really
3 important, and you know this about your
4 universities, is that we are operating -- we
5 are here to provide opportunities for the low-
6 and middle-income students for whom there just
7 are not enough places and won't be at those
8 other institutions. It's not about those
9 other institutions. We need to educate those
10 people because there's not enough of the
11 others left to meet our workforce need. It's
12 a math problem.

13 REPRESENTATIVE MERCURI: Right.

14 CHANCELLOR GREENSTEIN: And so, we're
15 left doing a great job with students who are
16 often the hardest to reach, which adds to our
17 cost and, frankly, to our value.

18 REPRESENTATIVE MERCURI: Thank you.

19 CHANCELLOR GREENSTEIN: Thank you.

20 APPROPRIATIONS MAJORITY CHAIRMAN

21 SAYLOR: Our next questioner is Representative
22 Mako.

23 REPRESENTATIVE MAKO: Thank you,
24 Mr. Chairman and Mr. Chancellor, for being
25 here. I appreciate you coming in.

1 I apologize if somebody asked this
2 question earlier, I came in a little late --

3 CHANCELLOR GREENSTEIN: No worries.

4 REPRESENTATIVE MAKO: -- on that.

5 So, I was looking through the
6 information that was provided for us and
7 struggling to understand the breakdowns that
8 we have.

9 CHANCELLOR GREENSTEIN: Um-hum.

10 REPRESENTATIVE MAKO: I see it in
11 buckets, like, oh, this university we spend
12 this much on this university, and I understand
13 we have to spend money to save money moving
14 forward here. And I was just wondering if you
15 had a breakdown of, like, line items per
16 university, what are the cost drivers at each
17 university? Is it salaries? Is it the rent?
18 Is it, you know, overhead, utilities? And
19 what's going on with that? Do you have that?

20 CHANCELLOR GREENSTEIN: Yeah. The
21 biggest cost driver is personnel, so salary
22 and benefits, health. It's about --
23 represents about 75 percent of our total
24 expenditure.

25 REPRESENTATIVE MAKO: And so, moving

1 forward -- and if you've spoke on this
2 earlier, I apologize -- what are you doing,
3 moving forward, to address that? Is that
4 where most of this cost is driving from, like,
5 payouts and -- well, not payouts, that's a
6 terrible way to say it -- or early
7 retirements?

8 CHANCELLOR GREENSTEIN: Yeah. So,
9 our board, a few years ago, implemented a
10 sustainability policy, which basically
11 requires universities to operate within their
12 budgets, to operate as most families do.

13 REPRESENTATIVE MAKO: Like everyone
14 does, yeah.

15 CHANCELLOR GREENSTEIN: Yeah, like
16 everybody does. Right. To spend what you
17 earn sort of thing. And that has driven the
18 programmatic reductions that we've been
19 talking about. That has driven the reduction
20 in head count, which has been pretty
21 significant.

22 You know, we are an enrollment-driven
23 business, and we've tapped out the amount we
24 can charge our students. So, that has
25 required some very difficult tradeoff

1 decisions, which our universities have made
2 and continue to make, and, you know, because
3 it's now a matter of board policy, we'll
4 continue to make, you know. I think I said in
5 the general fund document that -- and I
6 certainly reported this to the board, the
7 board's report, we will manage to whatever
8 budget envelope we're given. The question
9 isn't that. We're managed pretty effectively.
10 The question is, what product does
11 Pennsylvania, the system, what product does
12 our owner want us to produce?

13 REPRESENTATIVE MAKO: Got you.

14 And now that you have these
15 sustainability policies in effect, have you
16 provided a line item, like the line by line?

17 CHANCELLOR GREENSTEIN: Yeah. And --
18 and --

19 REPRESENTATIVE MAKO: Where could I
20 find that?

21 CHANCELLOR GREENSTEIN: We -- we have
22 submitted material to -- in the appropriations
23 book. Yeah. We publish an appropriations
24 book. It's going to be out in a couple of
25 weeks, and you'll see it there.

1 REPRESENTATIVE MAKO: Stan, do you
2 have that?

3 All right. Perfect. Thank you,
4 Mr. Chancellor. Appreciate it.

5 APPROPRIATIONS MAJORITY CHAIRMAN

6 SAYLOR: So, yes, I'm the last one.

7 In the governor's budget proposal, he
8 appropriates the dollars as mentioned earlier,
9 but for the next four years after that, he
10 extends -- he proposes no additional funding.

11 Is it sustainable for the state
12 system not to have any money after this coming
13 fiscal year at all and that you can live on no
14 future growth at all in revenue?

15 CHANCELLOR GREENSTEIN: No. I mean,
16 well, again, it depends -- it's so
17 interesting, because at this point, we're
18 really -- we're at a policy choice. I can,
19 obviously, advise and inform, but you can't
20 run this system and get the kind of outcomes
21 that the state needs from it on one-time
22 money. It -- you can only -- it's an ongoing
23 operation. So, you know, our -- your choices,
24 I guess, are -- you know, if we stay kind of
25 near the current budget envelope, we will just

1 continue a strategy of austerity. And the
2 gap, the talent gap, will grow and our costs
3 will go up, and you'll see additional major
4 structural change, because it will be
5 necessary.

6 So, I mean, you can rest assured that
7 your system will be run well, but the issue
8 really is, does austerity give you what you
9 need? It will save you money, but is it penny
10 wise, pound foolish? My argument, and I made
11 it in the document, is that it --

12 APPROPRIATIONS MAJORITY CHAIRMAN

13 SAYLOR: You're going to need continual
14 increase in funding every year --

15 CHANCELLOR GREENSTEIN: Yeah. And
16 the assumption is 550 is the new baseline
17 funding, becomes the new general fund
18 appropriation level, and then annual
19 increments to reflect inflation.

20 APPROPRIATIONS MAJORITY CHAIRMAN

21 SAYLOR: Sure. I mean, I think -- I do want
22 to point out that the governor again this year
23 put in the Nellie Bly, which is dead on
24 arrival. It has been. The general assembly's
25 been very clear on that. But I think that we

1 have a great interest in promoting our state
2 system. It's virtually, for me, first kid in
3 my family going to college, went to IUP. I
4 got to be honest, I finally started denoting
5 to Millersville and IUP, so maybe we need to
6 encourage more of the alumni to do so.

7 But I think that we have to
8 understand, people -- I know there's people
9 out there still fighting this consolidation,
10 and that's not a positive thing for the
11 system. If they want to kill the system, keep
12 fighting this. It's the only way. It's
13 either close these universities in these
14 areas -- you know, it's not what we all want.
15 The truth and honesty is that kids today have
16 a different desire than what maybe Stan Saylor
17 had. I was fine going out to a small town of
18 Indiana, to Indiana University of
19 Pennsylvania, or somebody wanting to go to
20 California University or whatever. Kids today
21 want to be near happening things, whether it's
22 West Chester, maybe Millersville, which is
23 near Lancaster, or whatever. Society changes,
24 and if we don't change with it, we are going
25 to die.

1 And I, again, want to congratulate
2 you on helping to move our system and save our
3 system for the low-income families and
4 middle-class families, because if we don't do
5 this, those kids, those parents are going to
6 suffer tremendously and so will our
7 Commonwealth.

8 So, in closing, I just say that, I
9 think the general assembly, both sides of the
10 aisle, are committing to support the system
11 and the great work you've done to help save
12 it. And that we'll continue trying to figure
13 out ways to help you solve those problems.

14 But everybody needs to get on board
15 now. The decision's been made. We need to be
16 a team, and we need to find a way to make this
17 work for the people of Pennsylvania.

18 CHANCELLOR GREENSTEIN: Yeah. Thank
19 you.

20 APPROPRIATIONS MAJORITY CHAIRMAN

21 SAYLOR: So, with that, I want to thank you
22 for everything you've done.

23 Thank all the members who
24 participated today, virtually or in person.

25 So, this meeting is adjourned.

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CHANCELLOR GREENSTEIN: Thank you,
sir.

(Whereupon, the hearing concluded at
10:45 a.m.)

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REPORTER'S CERTIFICATE

I HEREBY CERTIFY that the foregoing
is a true and accurate transcript, to the best
of my ability, produced from audio on the said
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BRENDA J. PARDUN, RPR
Court Reporter
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