

1 HOUSE OF REPRESENTATIVES  
2 COMMONWEALTH OF PENNSYLVANIA

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4 Budget Hearing

5 State-Related Universities  
6 PSU, Pitt, Temple & Lincoln

7 \* \* \* \*

8 Appropriations Committee

9 Main Capitol Building  
Majority Caucus Room 140  
Harrisburg, Pennsylvania

10 Tuesday, March 3, 2020

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12 MAJORITY MEMBERS PRESENT:

13 Honorable Stanley Saylor, Majority Chairman  
14 Honorable Rosemary Brown  
15 Honorable Lynda Schlegel-Culver  
16 Honorable Sheryl Delozier  
17 Honorable George Dunbar  
18 Honorable Jonathan Fritz  
19 Honorable Matt Gabler  
20 Honorable Keith Greiner  
21 Honorable Seth Grove  
22 Honorable Marcia Hahn  
23 Honorable Doyle Heffley  
24 Honorable Lee James  
25 Honorable John Lawrence  
Honorable Jason Ortitay  
Honorable Clint Owlett  
Honorable Chris Quinn  
Honorable Greg Rothman  
Honorable James Struzzi  
Honorable Jesse Topper  
Honorable Jeff Wheeland  
Honorable Ryan Warner  
Honorable Martina White

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## 1 MINORITY COMMITTEE MEMBERS PRESENT:

2 Honorable Matt Bradford, Minority Chairman  
Honorable Donna Bullock  
3 Honorable Morgan Cephas  
Honorable Carolyn Comitta  
4 Honorable Maria Donatucci  
Honorable Elizabeth Fiedler  
5 Honorable Marty Flynn  
Honorable Edward Gainey  
6 Honorable Patty Kim  
Honorable Stephen Kinsey  
7 Honorable Leanne Krueger  
Honorable Stephen McCarter  
8 Honorable Benjamin Sanchez  
Honorable Peter Schweyer

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## NON-COMMITTEE MEMBERS PRESENT:

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Honorable Mike Turzai, Speaker of the House  
12 Honorable Curt Sonney, Majority Chairman  
Education Committee  
13 Honorable Mark Gillen  
Honorable Tom Mehaffie  
14 Honorable Brad Roae  
Honorable Craig Staats  
15 Honorable Meghan Schroeder  
Honorable Tim Briggs  
16 Honorable Carol Hill-Evans  
Honorable Marylouise Isaacson  
17 Honorable Kerry Benninghoff  
Honorable Dan Williams

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1 STAFF ATTENDANCE:

2 David Donley  
3 Majority Executive Director

4 Ritchie LaFaver  
5 Deputy Executive Director

6 Ann Baloga  
7 Minority Executive Director

8 Tara Trees  
9 Minority Chief Counsel

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TESTIFIERS

STATE-RELATED UNIVERSITIES

PSU, PITT, TEMPLE & LINCOLN

Dr. Eric Barron, President  
Pennsylvania State University

Dr. Patrick Gallagher, Chancellor  
University of Pittsburgh

Dr. Richard Englert, President  
Temple University

Dr. Brenda Allen, President  
Lincoln University

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1 MAJORITY CHAIRMAN SAYLOR: We'll call  
2 the Appropriations Committee back in order. And  
3 we'll ask all the Presidents of the universities if  
4 they will rise and raise their right hand.

5 (Whereupon, the testifiers were sworn  
6 en masse.)

7 MAJORITY CHAIRMAN SAYLOR: Very good.  
8 Thank you very much.

9 We'll start off with questions right  
10 away. We're gonna start off with Representative  
11 Culver.

12 REPRESENTATIVE SCHLEGEL-CULVER: Good  
13 afternoon. I'm on this side of the room. Thank  
14 you, Presidents and Chancellor for being here.  
15 Thank you, Mr. Chairman.

16 My question is specifically directed to  
17 Penn State University, so President Barron. My  
18 district is on the fringes of sort of the Penn  
19 State home territory, about 45 minutes to an hour  
20 away; pretty rural, agriculturally heavy area that  
21 is dependent upon the extension services and the ag  
22 services of the university. And many of our  
23 students and farmers have attended Penn State in  
24 the ag program.

25 So, in additional to the funding that

1 you receive through the Department of Education,  
2 Penn State also receives agricultural research and  
3 extension funding through the Department of  
4 Agriculture.

5 In the Governor's proposed budget, he's  
6 keeping, or proposing, for level funding at  
7 55 million a year, while the university has  
8 requested about a 6 percent increase in that line  
9 item.

10 Can you tell me what the impact will be  
11 of level funding on the programs that are offered  
12 in districts like mine?

13 DR. BARRON: Well, it's -- it's always  
14 somewhat tricky with level funding and wanting to  
15 provide raises for individuals that are not funded  
16 off of tuition, which includes the extension agent.  
17 So, usually level funding results in some  
18 contraction that has to occur in order to balance  
19 that budget.

20 But I think, more importantly, the  
21 request is really rather specific. We have a  
22 Spotted Lanternfly infestation. This is impacting  
23 a large part of Pennsylvania. It's tens of  
24 millions of dollars in potential damage. Penn  
25 State stepped in early before any funding in order

1 to be able to address the problem, and I think  
2 we're on a pathway to solutions.

3           And then I think the second part of it  
4 is, this is a state that spends -- has a lot of  
5 concern over water-quality issues, especially  
6 coupled with agriculture, and we can do very well  
7 in that particular space. So what you see is that  
8 request enables us to do more for the Commonwealth  
9 in addition to what we're doing, as well as making  
10 sure that we keep all those active extension agents  
11 in every county in the State of Pennsylvania.

12           REPRESENTATIVE SCHLEGEL-CULVER: So, do  
13 you think that by keeping it level funded, it will  
14 hurt the efforts that had been done for the Spotted  
15 Lanternfly and the other programs.

16           DR. BARRON: We always do the very best  
17 we can. But in past cases with level funding, it's  
18 resulted in some contraction in terms of what we're  
19 able to do, and we would like to do more for the  
20 state. And I think with the two issues that I just  
21 described, doing more is important right now.

22           REPRESENTATIVE SCHLEGEL-CULVER: Do you  
23 think that we'll see that in the bigger programs  
24 that you're implementing statewide or more locally  
25 at the extension services and the services they

1 provide in our communities?

2 MAJORITY CHAIRMAN SAYLOR: I see them as  
3 closely coupled, because frequently what we work on  
4 crosses many, many different counties. So, this is  
5 also a way in which you translate research into  
6 local impact. And so, this is a case where it  
7 affects both.

8 REPRESENTATIVE SCHLEGEL-CULVER: Okay.  
9 Thank you very much.

10 Thank you, Mr. Chairman.

11 MAJORITY CHAIRMAN SAYLOR: I did want to  
12 announce that we've been joined by three members  
13 who are not members of the Appropriations  
14 Committee: Representative Tom Mehaffie,  
15 Representative Schroeder, and also our great  
16 Speaker of the House, Mike Turzai.

17 So, with that, we'll move on to our next  
18 question, is Representative Comitta.

19 REPRESENTATIVE COMMITTA: Thank you,  
20 Mr. Chairman. Welcome, Presidents. Hi, I'm over  
21 here.

22 So, I just have to say right before you  
23 all sat down, the excitement and the energies, you  
24 know, seeing everybody, and everybody, you know,  
25 connects, and your "yeah team" and so on. I just



1 want to thank you, each of you, for your leadership  
2 in -- at your universities. You are shaping the  
3 future of our Commonwealth and every student who is  
4 fortunate enough to be with you. So, I want to  
5 thank you for that.

6 I have a question for President Barron.  
7 With Penn State's Ag Extension around the  
8 Commonwealth, I know that you are providing  
9 agricultural research, extension programs that  
10 support the agricultural community and really  
11 stakeholders around Pennsylvania.

12 So, I have a question for you about how  
13 your extension services are researching the effects  
14 of climate change on farming, agriculture in  
15 general, construction practices; for example,  
16 pipelines. We had the -- In Beaver County, we had  
17 the Revolution Pipeline that had been constructed;  
18 was put into operation for one week with the  
19 natural gas liquids. There was a lot of rain,  
20 which we're getting all the time now; landslide;  
21 pipeline exploded with -- to disastrous results.

22 So, how is the Penn State Ag Extension  
23 program addressing changes that we need to make to  
24 keep people and agriculture, and so on, safe and  
25 healthy in Pennsylvania?

1 DR. BARRON: So, Penn State is very  
2 fortunate. Not only do we have a world class  
3 agricultural extension program, and effort in  
4 agricultural research, but we also have one of the  
5 finest meteorology departments in the country. And  
6 borne out of that is considerable effort to focus  
7 on prediction, and that level of prediction is  
8 expanding. You can see it in a lot of different  
9 forms.

10 Our system prediction has a category,  
11 and the objective there is to look at whether  
12 variability -- climate variability climate, and  
13 consider not only predicting those characteristics  
14 but their impact. So, you see everything from a  
15 change in pest distribution that occurs, change in  
16 extremes that has an impact on what you can grow,  
17 or the viability of what it is you can grow, even  
18 shifts of many growing zones. You see it in terms  
19 of changes in rainfall that have an impact on  
20 streams, runoff levels.

21 So it's -- it's a very broad -- a very  
22 broad topic for which the university's keenly  
23 interested in looking at what you can bring well  
24 and what you can't, and to make sure we're also  
25 doing this in service to society. And we have good

1 cross-over between agriculture and fields like  
2 meteorology and others.

3 One of the things Penn State takes great  
4 pride in is that, we get faculty across many, many  
5 expertise areas to work together, and this is a  
6 good example. This, in my view, is one of the  
7 strengths of the institution.

8 REPRESENTATIVE COMMITTEE: So -- Yes, and  
9 thank you for that. We need you. We need all of  
10 you to find the solutions for the -- for the  
11 climate crisis that our students, our children, are  
12 navigating now and will be for their entire lives.

13 So following on that, yes, Doctor Joel  
14 Myers, right, Penn State meteorologist, is there a  
15 major -- an interdisciplinary major in, you know,  
16 climate crisis and predictions, or whatever you  
17 might call it?

18 DR. BARRON: Yeah. Not -- Not -- Not  
19 precisely, because you would, particularly, at an  
20 undergraduate level, be focused on -- on basic  
21 fields of agricultural engineering or large animal  
22 science or meteorology. As you become a graduate  
23 student, you're much more likely to be able to  
24 focus.

25 But we do allow students to design

1 majors. So if they have an interest, they can  
2 definitely lean towards that -- that interest.

3 We're also highly coupled -- I used to  
4 be the director of a federal laboratory, the  
5 National Center For Atmospheric Research in  
6 Boulder, Colorado, and we have very tight  
7 connections with them as well. So you see a lot of  
8 different areas for which we -- we have overlapped  
9 and enabled students who then go on to participate  
10 in a --

11 So you could be an ag -- in ag sciences  
12 and go to the National Center for Atmospheric  
13 Research for every summer while you're working for  
14 your degree, much more likely at a graduate level  
15 than an undergraduate level.

16 REPRESENTATIVE COMMITA: Thank you so  
17 much, Mr. Presidents, and Madam President.

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

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

22 Chancellor Gallagher, I have a couple  
23 questions for you. I have been watching and  
24 observing about the Pitt students who were staging  
25 a protest, urging the divestment of fossil fuels

1 from the endowment. And I heard that there was a  
2 meeting last week about that. I was wondering if  
3 you could update us on that meeting and give us the  
4 university position on investing in the endowment,  
5 or in fossil fuels in your endowment?

6 CHANCELLOR GALLAGHER: Yep, be happy to.

7 Yeah, we have had a very active group on  
8 campus called the Fossil Free Coalition. It's  
9 actually not an official students' group, but it's  
10 a loose coalition of students, increasingly with  
11 some alumni and other community members.

12 It's also a part of a larger national  
13 effort. You probably have read newspaper accounts  
14 of this kind of thing happening on a variety of  
15 campuses. Maybe the most famous being of the  
16 Harvard-Yale football game was interrupted due to  
17 on-field protests.

18 So, the students have been -- that are  
19 involved at Pitt have been advocating, as this  
20 group is, for universities to divest of all fossil  
21 fuel holdings. Our position has been pretty clear.  
22 That's a decision that only the board of trustees  
23 can make. It's not a university decision, and that  
24 it's a very high bar for a group of trustees to  
25 face that, because, anything that can lower the

1 returns on an endowment is essentially taking from  
2 future students. So it's one of the most profound  
3 responsibilities the trustees have. And at this  
4 point, the trustees have not made a move to do such  
5 a thing.

6 So what we did was put together a  
7 process that, at least lets the full issue be  
8 studied, where we could take hearings and collect  
9 input from the community, but also, candidly,  
10 expert opinion from investors, energy experts, and  
11 so forth, to support whatever possible role the  
12 board would have. So if the board invites me to do  
13 that, that's what we would do.

14 REPRESENTATIVE ORTITAY: Is there a time  
15 frame on that?

16 CHANCELLOR GALLAGHER: No. From my  
17 perspective, I have to be invited by the board of  
18 trustees to form such a group.

19 REPRESENTATIVE ORTITAY: Now, I also  
20 read too, I think you had made a statement in an  
21 article that I was reading about Pitt being carbon  
22 neutral by the year 2037. Could you elaborate a  
23 little bit on that, and then talk about some of the  
24 financial costs as well as some of the benefits?

25 CHANCELLOR GALLAGHER: Sure.

1           So, carbon neutrality, of course, is  
2 different, right? This is more about the  
3 responsible use of carbon and what the institution  
4 can do through its operational activities to  
5 minimize or mitigate its climate impact.

6           For us, it builds on our sustainability  
7 plan, so the universities had a formal  
8 sustainability plan since 2018 which seeks to lower  
9 carbon emissions through energy efficiency,  
10 procurement from renewables, a whole variety of  
11 things. We've been very successful in exceeding  
12 our targets, and we felt the next step was to kind  
13 of extend the goal.

14           Carbon neutrality is something that a  
15 lot of major companies, airlines and others are  
16 looking at. It basically seeks to, you know,  
17 extend these goals in terms of energy efficiency,  
18 so those lower costs, but also to look at --  
19 basically consider --

20           REPRESENTATIVE ORTITAY: If I can jump  
21 in real quick. I would imagine that natural gas,  
22 at least with the lower electricity prices and  
23 heating costs for your campus itself has helped to  
24 achieve that as well, correct?

25           CHANCELLOR GALLAGHER: There's no

1 question. Pennsylvania has benefited from this  
2 shift to lower carbon intensity fuels with the  
3 natural gas.

4 REPRESENTATIVE ORTITAY: Are you  
5 envisioning an increase in tuition or impact on  
6 tuition as you move towards this goal towards 2037?  
7 Is this going to increase tuition? It's not going  
8 to have an effect?

9 CHANCELLOR GALLAGHER: No, we don't  
10 think so. We think that in many cases the --

11 What's happening, really, is, you're  
12 looking at the full cost. So, it may be an energy  
13 cost may go up a little bit, but your energy  
14 savings from sustainability would actually go down.

15 So, the full economic impact hasn't been  
16 done yet, but we actually don't think we're looking  
17 at -- Our goal would not be to increase the cost  
18 for Pitt students, right? That's something  
19 we're --

20 REPRESENTATIVE ORTITAY: That was my  
21 concern was, if we go through this process -- I  
22 mean, it's a good goal to shoot towards. I know a  
23 lot of institutes are going in that direction. But  
24 we've heard it throughout the morning, and probably  
25 into this afternoon about tuition costs being high



1 in Pennsylvania, particularly at Pitt. I just want  
2 to make sure that it's not gonna in -- it's not  
3 going to increase the burden any further than it  
4 already has.

5 CHANCELLOR GALLAGHER: We would have the  
6 same concern.

7 REPRESENTATIVE ORTITAY: All right.  
8 Thank you, Chancellor.

9 Thank you, Mr. Chairman.

10 MAJORITY CHAIRMAN SAYLOR: Chancellor,  
11 would you mind sending me the economic study on  
12 that? I think it would be helpful to the members  
13 of the General Assembly to look at the economic  
14 impact at RGGI and help us move forward as well.

15 CHANCELLOR GALLAGHER: Be happy to.  
16 Thank you.

17 MAJORITY CHAIRMAN SAYLOR: Thank you,  
18 Chancellor.

19 With that we'll move to the next  
20 questioner is Representative Bullock.

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

23 Good afternoon. I'm over here, ladies  
24 and gentlemen. Yes.

25 So, thank you all for being here this

1 afternoon. I would like to just ask one question  
2 of each of the universities, if you can run down as  
3 quickly as possible, it's one question with many  
4 parts; the diversity of your student population,  
5 percentage of women and students of color in your  
6 student population. And as you know, I'm very  
7 concerned about your workforce and making sure that  
8 that population in your workforce reflect the  
9 students that we are educating at your respective  
10 universities.

11 So, if you can share the diversity of  
12 your faculty and staff overall, as well as the  
13 diversity of your executive offices.

14 DR. ALLEN: All right. Thank you.

15 So we serve about 98 percent students of  
16 color, mostly African American. Mixed in there are  
17 some students of color from the African Diaspora.  
18 Our student body is about 68 percent female, and  
19 our workforce, just depends in terms of the  
20 faculty, we're about 40 percent women, but we also  
21 have more -- But we do have more gender disparity  
22 at the full professor level, meaning, there are  
23 more males represented as full professors than  
24 female.

25 REPRESENTATIVE BULLOCK: I'm sorry,

1 Madam President. Your executive offices?

2 DR. ALLEN: Oh, my executive offices.  
3 So we are, I don't know. What's the percentage?  
4 I'll look over here. We have 95 percent African-  
5 American in terms of race of my executive cabinet,  
6 and I would say we are 60 percent women. Yeah,  
7 60 percent women.

8 REPRESENTATIVE BULLOCK: Thank you very  
9 much.

10 DR. ENGLERT: Thank you, Representative  
11 Bullock, for that question, and also for everything  
12 that you do and for everything that all of you do  
13 for the State-Relateds. We've been in a  
14 partnership for 54 years, and it's a partnership  
15 that means so much to Temple University and to all  
16 of us. So, we just want to thank you for all that  
17 you do.

18 In terms of all employees, 53 percent  
19 women and 34 percent minority. In terms of student  
20 body, 53 percent white, non-Hispanic, 12 percent  
21 African American, 12 percent Asian background,  
22 7 percent Hispanic background, Latino, 7 percent  
23 international, 7 percent either didn't declare or  
24 more than one category. That's student body.

25 In terms of executive, for 12 vice

1 presidents -- I'm figuring quickly in my head. The  
2 two executive vice presidents are African American;  
3 one male, one female. Our provost is African  
4 American. She used to be the dean of our lawsuit  
5 school. Great.

6 So our student -- our vice president for  
7 student affairs, an African American woman. For  
8 our vice president for -- our CIO, a woman. And I  
9 think I have everyone. If I'm missing somebody,  
10 I'll get to you with it.

11 REPRESENTATIVE BULLOCK: Great. If you  
12 could just tally that up and give it to me, if you  
13 have a better -- at a later date or get it to our  
14 Chairman, I'd appreciate that.

15 DR. ENGLERT: Absolutely.

16 REPRESENTATIVE BULLOCK: Thank you.

17 DR. BARRON: So, there's -- there's a  
18 lot of variation here given the number of campuses  
19 we have, and our campuses tend to reflect much more  
20 closely the demographics of -- of the local  
21 catchment areas. But if we looked at, say,  
22 University Park, we'd see about 20 percent under-  
23 represented minorities in terms of students.

24 The upper part of the university I would  
25 have to go count in terms of -- But I would say for

1 my cabinet, in the time I have been president,  
2 there have been 11 members of the cabinet that are  
3 new. And that is five women, six men, two African  
4 Americans. In the time of my tenure for deans, we  
5 have 15 new deans out of 17; and of the 15, seven  
6 are women, eight are men, and three are African  
7 American. This is the highest diversity in terms  
8 of the leadership of the university in our -- in  
9 our history.

10 And where do we lag behind? We lag  
11 behind in faculty and full-time employees, which is  
12 closer to 10 percent.

13 REPRESENTATIVE BULLOCK: Thank you.

14 CHANCELLOR GALLAGHER: So the University  
15 of Pittsburgh, on the student side, is  
16 approximately 30 percent racially diverse, of which  
17 about 14 percent are from underrepresented minority  
18 groups.

19 On the faculty and staff side, again,  
20 it's about 20 percent diverse, with 7 percent from  
21 underrepresented minorities.

22 Then on the senior staff side, again,  
23 looking at sort of the top 12, 11 positions, it's  
24 half female, half male, and about 30 percent under-  
25 represented groups.

1                   And we can send you the detail breakout  
2                   so you can --

3                   REPRESENTATIVE BULLOCK: That would be  
4                   great. Thank you. I think I missed a couple of  
5                   those percentages. Thank you all for sharing that  
6                   information with me.

7                   Thank you, Mr. Chairman.

8                   MAJORITY CHAIRMAN SAYLOR:  
9                   Representative Brown.

10                  REPRESENTATIVE BROWN: Thank you,  
11                  Mr. Chairman.

12                  Thank you all for being here this  
13                  afternoon. I'm sorry. Over here. Thank you.

14                  President Englert, Temple, obviously, is  
15                  an excellent school. I have many families in my  
16                  district and students that go to Temple and have  
17                  great feedback and are doing very well. But with  
18                  that, there's always a but, right? I have some  
19                  concerns.

20                  I have concerns, of course, as we, as a  
21                  legislative body, help to subsidize part of that  
22                  education. I have a few questions for you.

23                  In the '20-21 budget presentation  
24                  materials that we have, you state: This academic  
25                  year we made certain strategic cuts across the

1 universities that we could freeze our base tuition  
2 for our in-state undergrads.

3 Can you give us a little bit about those  
4 cuts, what they were, and the impact that it has  
5 been on Temple University?

6 DR. ENGLERT: Certainly. Thank you.

7 Some of those cuts came from  
8 administration. We usually start with  
9 administration. I can't give you exact dollar  
10 figures, but we usually start with administration.  
11 And the additional reductions were in cutting  
12 across the entire university.

13 We use a RCM model, which is a  
14 responsibility centered budgeting management model,  
15 and that's a decentralized model. So, all the  
16 schools and colleges had some reductions; some a  
17 little higher, some a little lower. Some of the  
18 reductions were because --

19 When you put all the revenues together,  
20 some of the revenues come from tuition; some  
21 because of the -- if you had an increase, some if  
22 don't have an increase, et cetera. Some of it came  
23 from --

24 We knew and we predicted well before  
25 this year that we would have a drop in number of

1 students because of our Fly in 4 Program. And our  
2 Fly in 4 Program is a program by which we have an  
3 agreement with a student and the university has  
4 part -- is part of the agreement, and we each have  
5 certain things we have to do. A student has to  
6 enroll prior -- priority registration, has to see  
7 an advisor every year; has to sign an agreement; a  
8 number of things. Check points we call them.

9 On the Temple side, what we do with Fly  
10 in 4 is, we say that we will guarantee the courses  
11 in sequence. If not, we'll make certain that you  
12 get an alternative course. We will guarantee your  
13 advisors, so you always have an advisor to meet  
14 with. We will guarantee a review of your  
15 graduation, et cetera.

16 So, the Fly in 4 Program has been very  
17 successful. It's been so successful that this year  
18 we were counting on about 450 fewer students,  
19 because students who used to stay with us five and  
20 --

21 REPRESENTATIVE BROWN: Six years.

22 DR. ENGLERT: -- six years and they were  
23 paying tuition would not be doing so.

24 REPRESENTATIVE BROWN: Yeah. Thank you.  
25 We were just talking about that before the hearing



1 a little bit about the four-year program; you know,  
2 getting students through the four years. So, thank  
3 you.

4 Since I'm limited, I'm cutting you off a  
5 little bit. I'm limited with time. So, thank you  
6 at least for some of that information.

7 DR. ENGLERT: Thank you.

8 REPRESENTATIVE BROWN: There's two other  
9 questions that I have. Unfortunately, there has  
10 been a little controversy at Temple. You've seen a  
11 couple professors here and there that have had some  
12 publicity. But I want to focus a little bit on the  
13 Fox School of Business, and since their settlement  
14 in December. And I think it was a 4-million-dollar  
15 settlement.

16 What is that financial cost to the  
17 taxpayers based on us partially funding and then  
18 the settlement piece?

19 DR. ENGLERT: Right.

20 First of all, the reason for that was,  
21 it all came from a -- a misreporting that occurred  
22 within the university and from the Fox School, and  
23 the misreporting of data. Because of that, we made  
24 certain changes. We took certain steps, and we  
25 told students that we will make certain that we

1 will make students whole. And so, all students  
2 were made whole.

3           These were dollars that came out of our  
4 reserves; not out of tuition. And our commitment  
5 was to make certain that students who had filed a  
6 suit, which we understood, that we took care of  
7 them first. And that was the lead. That was part  
8 of our strategy--make certain we take care of our  
9 students. And that's what happened.

10           REPRESENTATIVE BROWN: I am out of time.  
11 I did have one other question.

12           But, my only concern with part of your  
13 answer there is, where do those reserves come from?  
14 Aren't those reserves part of the funding -- all of  
15 your funding level? So, when you create a reserve  
16 account, wouldn't that sometimes include some of  
17 the dollars that we would give as a state?

18           DR. ENGLERT: Ultimately, the reserves  
19 comes from underspending the budget. And so, what  
20 we try to do and --

21           Obviously, there are a lot of things  
22 included, including outside investments; a whole  
23 set of contributions to reserve. But, basically, a  
24 reserve for us comes from careful underspending;  
25 making certain that we under-spend our budget every

1 year. That's how we have been able to build a  
2 reserve.

3 REPRESENTATIVE BROWN: Of course. And I  
4 appreciate the reserve capability.

5 I would like some more detailed  
6 information on any sort of litigious issues that  
7 happen within the university, and possibly more of  
8 a segregation of accounts or something of that  
9 nature.

10 DR. ENGLERT: Happy to do so. Thank  
11 you.

12 REPRESENTATIVE BROWN: Thank you.

13 MAJORITY CHAIRMAN SAYLOR:  
14 Representative Gainey.

15 REPRESENTATIVE GAINNEY: Thank you.

16 Good afternoon. How are you doing? A  
17 couple questions, so, try to be quick.

18 One is, we know it's been very difficult  
19 increasing the enrollment of different  
20 universities. A lot of it is due to cost. I know  
21 some of you all did a cost-tuition freeze. I just  
22 want to know, has that increased enrollment based  
23 on the freeze that some of you may have done?

24 DR. ENGLERT: Well, I'll tell you,  
25 philosophically, I'm a believer; a very strong

1     believer that keeping the sticker price of tuition  
2     as low as possible actually aids students coming --  
3     the accessibility of students to an institution,  
4     especially first generation students. So, I can't  
5     attach to any one student, that student came  
6     because the university was able to freeze its base  
7     in-state tuition.

8             But, I do know that some people look at  
9     sticker price and say, is this for me? I -- I like  
10    to think that the more and more we keep sticker  
11    price as low as possible, the more we show  
12    ourselves as accessible to the Pennsylvania  
13    citizens.

14            REPRESENTATIVE GAINNEY: And that's a  
15    good question. Let me ask this because, as we  
16    discuss diversity and the importance of,  
17    particularly going forward, we understand how  
18    diverse the world is becoming.

19            On your board of trustees, how many  
20    African-Americans do you have?

21            DR. ENGLERT: Let me think about it real  
22    quickly, but -- (Pause). Let me think. I can give  
23    you an exact answer.

24            REPRESENTATIVE GAINNEY: Does anybody  
25    else have an answer to that?

1 CHANCELLOR GALLAGHER: I have one.

2 REPRESENTATIVE GAINEY: Okay.

3 DR. ALLEN: I'm probably --

4 REPRESENTATIVE GAINEY: Seven?

5 DR. ALLEN: I'm probably 85 percent  
6 African American.

7 REPRESENTATIVE GAINEY: And because  
8 we're always talking about the school to prison  
9 pipeline and breaking it up, we had a report that  
10 we know that a lot of -- it pertains to African  
11 American males.

12 I just want to know, have you seen an  
13 increase in your universities of African American  
14 males attending school? And is there a strategy  
15 that you have to reach out to them to allow them to  
16 have opportunity to get to your universities?

17 DR. ALLEN: So, at Lincoln, I've  
18 challenged my enrollment management area to start  
19 to break down that 70/30. Most institutions,  
20 regardless of whether they're predominantly black  
21 or predominantly white, there's 70 percent female  
22 and there's 30 percent male when it comes to black  
23 students.

24 So I've charged my enrollment group to  
25 bring me in classes that are about 40 percent male

1 each time trying to build that. We do that by  
2 having some special outreach. And the Mayor in  
3 Philadelphia, for example, has a great male  
4 initiative. I know my enrollment people try to  
5 connect with that.

6 But we also have a male initiative on  
7 campus where, just a bunch of men who work on  
8 campus and alumni males offer themselves up as  
9 mentors for these young men to help them so that  
10 they will have the support they need to matriculate  
11 through.

12 You know, we moved it. We're not at  
13 40 percent male yet. We're getting close. We're  
14 about 38 percent. But the goal for each class is  
15 to up that 40, then 41. And I'm gonna be the first  
16 to get to 50/50 male/female for black students. At  
17 least that's my goal.

18 REPRESENTATIVE GAINEY: Thank you.  
19 Anyone else?

20 DR. BARRON: Well, so we have a large  
21 number of -- of programs. We do count on the  
22 catchment areas. For instance, a campus like  
23 Abington is more diverse because of its catchment  
24 area.

25 I can't say that tuition freeze, we're

1 now, after five years, in real dollars less  
2 expensive for 70 percent of our students than we  
3 were five years ago. But we have done a lot of  
4 different things. And our African American  
5 population last year for the incoming class went up  
6 20 percent. It's matching that this year as well.  
7 That has largely occurred because of our efforts to  
8 open up the application and recruiting process more  
9 than we have had before.

10           And then, we have many programs on  
11 campus that are designed to retain those students  
12 if -- if -- if we're able to attract them. We even  
13 have a program, Millennium Scholars pioneered by  
14 the University of Maryland, Baltimore County, and  
15 for which Chapel Hill and Penn State are now a part  
16 of it, where we seek to have students that are  
17 first in their family, overwhelming diverse, go  
18 straight to a Ph.D. And we're watching something  
19 like 90 percent of those students go on to grad  
20 school, so this is a very high success rate to  
21 promote the success of these students.

22           REPRESENTATIVE GAINEY: Excuse the  
23 interruption. But I just wanted to make sure, on  
24 the African Americans that's on your board of  
25 trustees, can you get a list to the Chairman for us

1 to see? Because, as I think as we go forward,  
2 that's a critical piece, because we can't design if  
3 at the top of the pyramid we're not diverse. So I  
4 would love to see the amount of African Americans  
5 that you have on your trustee.

6 DR. BARRON: Right. So, I'm happy to do  
7 that. I think it's important to note that we have  
8 many, many different ways in which a trustee is  
9 appointed.

10 And so, the board itself believes that  
11 it's failing in this particular category because  
12 our agricultural communities appoint six; election  
13 by alumni is nine. The Governor and the Senate  
14 share a group of them. We have three cabinet  
15 members from the State of Pennsylvania, and we have  
16 a student representative, a faculty representative,  
17 and a -- and the past president of the Alumni  
18 Association.

19 So, unfortunately, that means no one on  
20 the board actually controls the appointment of  
21 individuals. But the board has taken on the  
22 challenge. So, for example, I know next year we  
23 will sadly, sadly because it's such a small number,  
24 double the number of African Americans on the  
25 board, okay, but it's a distinct problem by the



1 appointment process that is done about whether  
2 diverse candidates come in each one of those  
3 categories.

4 But, the board has set this up in a way  
5 to create a, hopefully, the plan is, a nominating  
6 committee so that, in each one of these categories  
7 we're making suggestions to the different bodies  
8 that elect trustees to make sure that it's more  
9 diverse.

10 REPRESENTATIVE GAINEY: I know my time  
11 is up. I'm not looking for the perfect way, but we  
12 can always perfect our way.

13 DR. BARRON: I agree.

14 REPRESENTATIVE GAINEY: So even though  
15 we don't have it today, for us to look now, and  
16 then when you come back next year, we can see the  
17 ways that you perfected that.

18 DR. BARRON: Yeah.

19 DR. ENGLERT: And, Mr. Representative,  
20 on our board, four African Americans out of the 24  
21 that are university elected.

22 And for Representative Bullock, it's  
23 five women, three African Americans and one Asian  
24 background for our vice presidents.

25 MAJORITY CHAIRMAN SAYLOR: Now we'll

1 move to Representative Delozier.

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

4 Thank you all for being here today and  
5 answering some of the questions. Earlier today we  
6 talked to the State System. One of the questions  
7 that I had asked them dealt with the fact of the  
8 cost of education. And I'm sure you'll hear that  
9 through a number of questions. Also, as well,  
10 yesterday we had PHEAA with college indebtedness  
11 and student indebtedness once they leave the  
12 campuses.

13 The ability for us to take a look at the  
14 college board that ranks all of our colleges on  
15 fees and tuition that go through it, basically came  
16 back and said that Pennsylvania looks as -- very --  
17 on average very expensive at 14,900, versus Ohio at  
18 11, New Jersey at 14, Maryland at 10, Delaware at  
19 13, and West Virginia at 8.

20 But, the reason that Pennsylvania is so  
21 high is because of three of the schools that are  
22 sitting here, because they're state-affiliated with  
23 Temple, Penn State and Pitt having 16,000, Penn  
24 State having 18,000 and Pitt 19, and Temple having  
25 11. PASSHE's at 10.

1           So my question is, why is it that your  
2 tuition is higher than the State System?

3           DR. BARRON: Well, there is -- There's a  
4 lot of different reasons. We're very different  
5 institutions.

6           REPRESENTATIVE DELOZIER: And I  
7 recognize that. I'm just trying to understand, our  
8 student's debt going in and the education that they  
9 receive, I'm trying to understand the differences.

10          DR. BARRON: So, one of the key things  
11 -- And look, I don't want to say anything negative  
12 about -- about anybody else, but the population in  
13 this state wants to have a very high-quality  
14 education. And so, students go to the institutions  
15 and their parents want them to go to institutions  
16 that are nationally ranked. It completely changes  
17 what their career opportunities are in life.

18          And so, we're sitting here with very  
19 fine universities for which we're nationally  
20 ranked, and nationally ranked means that we have  
21 comprehensive programs, comprehensive faculty, and  
22 we seek to have, you know, the best and the  
23 brightest teaching our students. And this is the  
24 reason why Penn State, despite the fact that it has  
25 relatively high tuition, why we had 132,000 people

1 apply to come to Penn State last year, because they  
2 are attracted to quality.

3 And it is absolutely essential, in my  
4 viewpoint, if Pennsylvania's going to prevent a  
5 brain drain, which already occurs, you have to have  
6 very high-quality institutions in this state.

7 What you really need is a variety of  
8 choices. You need to have strong community  
9 colleges. You need to have strong state schools.  
10 You need to have strong programs that are related  
11 to technology, and you have to have the very  
12 high-end institutions. And you cannot have those  
13 high-end institutions if you do not have strong  
14 state support. You cannot have those very strong  
15 institutions without having a premium to be there.

16 REPRESENTATIVE DELOZIER: And can I ask,  
17 and I apologize because there's four of you. But  
18 to ask questions, is the ability for us to turn  
19 that around and say that it is, in order to get  
20 quality we have to pay more?

21 DR. BARRON: Absolutely.

22 REPRESENTATIVE DELOZIER: Okay. What  
23 are we getting? My question is, what are we  
24 getting for that additional cost?

25 DR. BARRON: So you get students that

1 can involve themselves in very high-end research  
2 and go on and do remarkable things. You -- You  
3 have --

4 REPRESENTATIVE DELOZIER: And I'm not  
5 doubting the education. I'm simply saying, what is  
6 it --

7 So research, they get more ability to do  
8 research?

9 DR. BARRON: It's the research  
10 capability. It's the depth of programs.

11 REPRESENTATIVE DELOZIER: Okay.

12 DR. BARRON: For example, Penn State  
13 consistently, according to the Wall Street Journal  
14 and another recent poll, consistently has been the  
15 top five where corporate recruiters come. So what  
16 that means is, they're looking at a business school  
17 that is very high quality, has a great reputation,  
18 great students.

19 They see the other types of programs  
20 that are in there. A meteorology program, that's  
21 one of the best in the world. Material sciences,  
22 which is one of the critical things for this nation  
23 to advance in material sciences. Our students can  
24 get this experience right when they walk in the  
25 door. This requires very high-end laboratories, a

1 considerable investment, and a considerable  
2 investment in faculty. So they're getting great  
3 jobs. Siemens USA, we're number 1 and 2 in terms  
4 of their new employees. G.E., we're 1 or 2 in  
5 terms of their new employees.

6 REPRESENTATIVE DELOZIER: To job  
7 recruitment.

8 DR. BARRON: We're giving students the  
9 opportunity to go have first-end jobs.

10 REPRESENTATIVE DELOZIER: Okay. Can --

11 DR. BARRON: They have the opportunity  
12 to go to Wall Street. And if you do not have very  
13 high-end institutions, that's not gonna happen.

14 REPRESENTATIVE DELOZIER: Pittsburgh,  
15 you have the highest?

16 CHANCELLOR GALLAGHER: Yeah, I think --  
17 You know, there's two things. One is, when you're  
18 competing on quality, some of the costs are higher,  
19 so the diversity of programs you have, some of the  
20 specialized education, small classrooms, and some  
21 of the competitive faculty.

22 But the other, I think, component when  
23 you compare the State System is that, the State  
24 System is -- as a percentage of their total revenue  
25 it's being supported to a greater fraction than the

1 State-Related. So, setting aside the cost  
2 differences, are -- more of our costs are onto the  
3 students and families than borne by the state, and  
4 that just has to do with historic patterns of  
5 support over time.

6 REPRESENTATIVE DELOZIER: Okay. And my  
7 time is up, so, thank you very much.

8 MAJORITY CHAIRMAN SAYLOR: (Inaudible;  
9 no microphone) have questions (inaudible).

10 REPRESENTATIVE DELOZIER: Temple or  
11 Lincoln.

12 DR. ENGLERT: I mean, certainly -- I  
13 mean, I know our budget and I know the kinds of  
14 things that put pressure on a budget are  
15 comprehensiveness. That's already been talked  
16 about. Quality, obviously. Also the range of  
17 services that are provided to our students;  
18 directly to our students.

19 For example, we have invested very  
20 heavily in advising -- advising so that -- it's  
21 part of our Fly in 4, if we can get our students to  
22 graduate more quickly. We had 300 students who  
23 graduated even in fewer than four years. And so,  
24 that range of services definitely, definitely is  
25 costly.

1                   REPRESENTATIVE DELOZIER:   Okay.   Thank  
2   you.

3                   MAJORITY CHAIRMAN SAYLOR:   All righty.  
4   We'll move to Representative Ben Sanchez.

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

7                   Thank you, Presidents and Chancellor,  
8   for being here today.   This question is for  
9   President Englert.

10                  DR. ENGLERT:   Yes.

11                  REPRESENTATIVE SANCHEZ:   But I would  
12   invite others to comment on efforts after the  
13   president gives his answer.

14                  Temple's requested \$5 million to support  
15   its efforts to combat the opioid epidemic operated  
16   by Temple Medical School.   The Center for Substance  
17   Abuse Research works on the treatment, prevention,  
18   research, and education surrounding opioids.   Would  
19   you care to comment on that?

20                  I know many of you have academic medical  
21   centers, too, so I'm sure there's similar efforts  
22   that are ongoing or attempting to launch.

23                  DR. ENGLERT:   Absolutely.   And thank you  
24   for that question.   It's such an important  
25   question; important question to the state;



1 important question to the nation.

2 Temple, just in terms of its location,  
3 Temple Hospital, including Episcopal, which is part  
4 of Temple Hospital, is literally ground zero for  
5 the opioid epidemic in Philadelphia. So, we have a  
6 special, both desire and commitment. It goes with  
7 our commitment to Philadelphia and to North  
8 Philadelphia.

9 You mentioned the CSAR, our Center for  
10 Substance Abuse Research. They do amazing work,  
11 including looking at the biological bases for  
12 addiction; addictions of all kinds, but also for  
13 opioid addiction. So they are essential to looking  
14 at some of the fundamental processes that are going  
15 on in the human body connected to addiction.

16 Now, that's not automatic treatment, but  
17 it's the long- term way to attack the questions of  
18 the very difficult problems of addiction.

19 But, in addition, our Temple Hospital  
20 and our health care professionals, including the  
21 medical school, have partnered with both the city,  
22 with the Commonwealth, and with other agencies such  
23 as Project Home, which is just a wonderful support  
24 agency.

25 For example, we are coordinating with

1       them and partnering with them, both Project Home  
2       and the city, to provide a 40-bed opioid respite  
3       center right near our Episcopal hospital, and a  
4       60-bed, 60, six zero bed for homeless shelter.  
5       That is just one intervention.

6                 Other interventions include are a, what  
7       we call Begin the Turn. It's a street-side mobile  
8       set of services, including treatment, diagnosis,  
9       especially reaching out to homeless. We also  
10      participate in the Commonwealth's Warm Handoff  
11      Program, which is, literally, when someone comes to  
12      the emergency room, survives an overdose,  
13      immediately that person is connected with treatment  
14      possibilities and treatment professionals.

15                We coordinate with physicians in our  
16      Medication-Assisted Treatment Program, so that  
17      certain types of medication can be actually  
18      delivered in physicians' offices.

19                We also better focus on prescriptions,  
20      trying to, literally, through prescription  
21      practices, reduce and have reduced by 33 percent  
22      the morphine equivalence in prescriptions over two  
23      years.

24                So, it's multi-faceted. It is  
25      researchers working with docs, working with

1 faculty, working with staff, working with other  
2 professionals. It's part of our DNA of what we do  
3 in North Philadelphia.

4 REPRESENTATIVE SANCHEZ: Wonderful.  
5 That's very encouraging to hear all of those  
6 efforts.

7 Also, I hope, along with those  
8 partnerships, maybe some are forming with other  
9 health networks in the region, and it sounds like  
10 certainly the case, because I know you cross-  
11 pollinate with doctors and researchers and the  
12 like.

13 If anyone else -- I would invite anyone  
14 else, if they have something to -- I know they  
15 wouldn't have that specific program, but if you're  
16 proud of any efforts you wish to comment on.

17 CHANCELLOR GALLAGHER: We're proud of a  
18 lot of efforts. I always appreciate the  
19 opportunity.

20 The University of Pittsburgh, of course,  
21 along with its clinical partner, UPMC, have been  
22 pretty active in looking at opioid abuse, through a  
23 variety of facts; some of it having to do with  
24 rates of prescribing opioid. The Pitt dental  
25 school now has a protocol for almost all of its

1 procedures that avoids the use of opioids all --  
2 opioids altogether.

3 We've also, through our Institute of  
4 Politics, worked with lawmakers both at the state  
5 and local level, looking at the intersection  
6 between health care delivery models, law  
7 enforcement models, and other community-based  
8 models to reduce opioid addiction and treatment  
9 availability.

10 Then we did something interesting. We  
11 took the Institute of Politics' report that did  
12 that and then turned it inward and asked what  
13 universities should be doing to address this  
14 problem potentially, even though on campuses the  
15 rates of opioid problems that we see among  
16 college-aged students are much lower than the  
17 general population.

18 But, that actually gave us kind of a  
19 model that I think is still fairly unique in the  
20 United States, looking at drug take-back programs,  
21 educational programs, and other by-stander, other  
22 interventions, along with Nalaxone availability and  
23 things of that type, sir.

24 REPRESENTATIVE SANCHEZ: Thank you very  
25 much.

1 DR. BARRON: So, Penn State has set up a  
2 couple years ago a consortium to combat substance  
3 abuse. And our view was, this is a multi-  
4 disciplinary problem that crosses the College of  
5 Medicine, psychology, social sciences, health,  
6 health and human development, nursing. And so,  
7 we've created this life science. We've created  
8 this program of hiring close to a dozen faculty  
9 across all those disciplines so we can look at this  
10 holistically.

11 Much like Ag Extension, we now have  
12 programs that cross much of the State of  
13 Pennsylvania, and some campuses are setting up  
14 elements as well, so the Harrisburg campus just  
15 opened an addiction center there as well. We're  
16 trying to look at this in a very comprehensive  
17 fashion.

18 I know the red light went on, so...

19 MAJORITY CHAIRMAN SAYLOR: Anybody else  
20 want to say anything?

21 DR. ALLEN: Well, at Lincoln we don't  
22 have a medical school or clinical practices, but we  
23 have focused our efforts on helping our students  
24 understand their own health and wellness. And so,  
25 we've invested a lot in student education.

1           We have an app, sort of a self-help app  
2           that students can actually go on and figure out for  
3           themselves if they need to seek some support, not  
4           to mention use some of the grants through the state  
5           and the Federal Government to train our faculty,  
6           staff and students on being better able to identify  
7           students who may be in trouble with regard to  
8           substances, as well as suicide prevention work.

9           REPRESENTATIVE SANCHEZ: Thank you.  
10          Thank you for that time indulgence, Mr. Chairman.

11          MAJORITY CHAIRMAN SAYLOR: We'll go to  
12          Representative Topper.

13          REPRESENTATIVE TOPPER: Over here to  
14          your right. Good afternoon.

15          President Barron, in June of 2019, I  
16          believe Penn State established some new retirement  
17          plans, a new 401(a) and 415(m), which, these  
18          benefit plans are often used to give employees an  
19          additional benefit over and above what the typical  
20          limits might be.

21          Could you describe those plans and how  
22          they came about?

23          DR. BARRON: Yeah. Actually, the -- the  
24          way the plans came about was actually to -- to save  
25          money. I know that sounds interesting, but we

1 basically took a lot of -- of salary that was paid  
2 directly as salary and looked at it in terms of the  
3 potential to be deferred benefit or insurance-  
4 related programs.

5 And so, this was an effort that reduced  
6 the annual burden, say, in athletics and also,  
7 quite frankly, eliminated the surcharge on the  
8 federal side of things for incomes above a certain  
9 level. So --

10 REPRESENTATIVE TOPPER: The athletic  
11 director in the report participates in this.  
12 That's about 240,00 a year, but that's coming --  
13 that's not what is then paid in salary? That is  
14 deferred to this program?

15 DR. BARRON: So there -- there -- These  
16 are mechanisms by which employees and, quite  
17 frankly, I think right now the only employees that  
18 are involved are in athletics.

19 REPRESENTATIVE TOPPER: But that was  
20 gonna be my next question. How far -- How many are  
21 participating in these -- these opportunities?

22 DR. BARRON: So my understanding is,  
23 that looking at the tax burden, a lot of the  
24 employees might have their -- not that many  
25 employees that might participate in it, but it is a

1 net -- the programs are a net savings to -- to Penn  
2 State and allow employees to have -- have income  
3 that is guaranteed but deferred.

4 REPRESENTATIVE TOPPER: And these are  
5 additional or are these replacing the traditional?  
6 That's the part I didn't quite get.

7 DR. BARRON: So in some cases it  
8 replaced.

9 REPRESENTATIVE TOPPER: The actual  
10 retirement?

11 DR. BARRON: Yeah.

12 REPRESENTATIVE TOPPER: As far as  
13 Temple, Pitt, Lincoln, is that something that  
14 anybody's moving to in the other universities; some  
15 of these kind of deferred compensation plans or new  
16 looks at how to compensate or -- in terms of  
17 retirement plans?

18 DR. ENGLERT: We're always looking at  
19 everything. But we have a program where we work  
20 directly with TIAA-CREF and with Fidelity. There's  
21 not a state pension plan that we have.

22 DR. ALLEN: Same for us, T-I double A.

23 REPRESENTATIVE TOPPER: Okay.

24 CHANCELLOR GALLAGHER: On this sort of  
25 retirement program you're talking about, we looked



1 at it and elected not to move forward in that  
2 direction.

3 With regard to deferred comp, it's a  
4 pretty rarely used tool when you have a high desire  
5 to retain over some period of time, in which case  
6 you'll hold back a portion, and usually, until it  
7 matures, but...

8 REPRESENTATIVE TOPPER: I mean,  
9 obviously, participating in Division I high-end  
10 athletics is gonna create different issues for  
11 schools that, for instance, we talked -- spoke with  
12 this morning with the Chancellor. And the reason  
13 we have to be mindful of that is because, those are  
14 the ones that make the news. Those are the ones  
15 I'm, you know --

16 When contracts get approved on ESPN,  
17 we're the ones who answer to our constituents. So  
18 it's good to get that information, you know, right  
19 upfront and talk about ways that we're designing to  
20 make those costs workful.

21 DR. BARRON: And I do want to point out,  
22 in that particular part of it, that the athletic  
23 budgets at Penn State are entirely fenced. So, we  
24 do not have -- And we're one of the rare  
25 institutions in this country that have no dollars

1 that cross from the academic side over to the  
2 athletic side. They have to stand on their own.

3 REPRESENTATIVE TOPPER: Would that  
4 include these -- these plans?

5 DR. BARRON: Absolutely.

6 REPRESENTATIVE TOPPER: Okay.

7 DR. BARRON: Absolutely. It includes  
8 every single dollar. There are actually two  
9 exceptions. They pay the university an  
10 administrative fee. So this is a case where an  
11 athletic dollar crosses the line.

12 And in addition to that, with the new  
13 Big 10 media contracts, four of the five Big 10  
14 presidents, myself included, decided we were going  
15 to take a portion of those media contracts and not  
16 have it go to athletics, but instead, go to the  
17 benefit of the university.

18 So, Penn State is expanding what is a  
19 world class art museum in American art, where we  
20 have received a large number of donations of  
21 absolutely superb art. So, football is enabling  
22 art to flourish at Penn State.

23 But the other thing we did that I think  
24 is quite significant is that, we took a significant  
25 portion of it to support student mental health, and

1 student mental health because we do not have enough  
2 providers. So our students voted a fee, and I took  
3 resources from the Big 10 media contract to make  
4 sure we could hire more mental health providers.

5 So, these are two examples where the  
6 dollars crossed between athletics and academics,  
7 and in both cases --

8 REPRESENTATIVE TOPPER: It cross the  
9 other --

10 DR. BARRON: -- crossing to support the  
11 university. So, it's a stand-alone program. And  
12 so, we have a well-paid football coach, but we had  
13 an average attendance of a hundred thousand people  
14 in Doak Campbell Stadium, and the economic impact  
15 for the community and for the university far  
16 exceeds what those salaries are.

17 REPRESENTATIVE TOPPER: All right.  
18 Thank you.

19 DR. BARRON: Yep.

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

22 MAJORITY CHAIRMAN SAYLOR:  
23 Representative Kinsey.

24 REPRESENTATIVE KINSEY: Thank you,  
25 Mr. Chairman.

1           Good afternoon, gentlemen, and Madam  
2           President.

3           Initially, I was going to talk about  
4           diversity, but my colleagues, Rep. Bullock and Rep.  
5           Gainey, had sort of went over that. But I do want  
6           to note, Doctor Barron, that I want to thank you  
7           and your administration. We did receive some  
8           concerns.

9           Some of us elected officials did receive  
10          concerns as it related to Penn State and the lack  
11          of minority faculty there. And your administration  
12          reached out, and we will be meeting with your  
13          administration, I believe, on the campus of Penn  
14          State, as well, just to have a discussion and see  
15          how we can be helpful. So I want to thank you and  
16          your staff for that.

17          DR. BARRON: My pleasure. It's very  
18          important to us.

19          REPRESENTATIVE KINSEY: Great. Thank  
20          you.

21          Doctor Allen, I want to focus on Lincoln  
22          University, if I may for a second.

23          Doctor Allen, I received a copy of a  
24          letter that you addressed to Chairman Saylor. The  
25          letter is dated February 17, 2020. And in the

1 letter you spoke about the enrollment crisis that  
2 is currently affecting higher education, and you  
3 also in the letter requested a flat -- I believe a  
4 flat 2 million increase for Lincoln University's  
5 base appropriations.

6 Can you tell us how critical the  
7 2-million-dollar increase is to Lincoln's  
8 day-to-day operation?

9 DR. ALLEN: Sure. And thank you.

10 So the appropriation accounts for about  
11 20 percent of our overall operating budget, and we  
12 use a portion of that to offer discounts for  
13 in-state students, but another two-thirds of that  
14 goes directly into operations.

15 Therefore, for Lincoln University, just  
16 the appropriation, in and of itself, is very  
17 crucial to our ability to just move forward and  
18 operate from year to year. It becomes even more  
19 important this year because, as I wrote in the  
20 letter, as we look around at enrollment, it's a  
21 national crisis; probably an international crisis  
22 in terms of the number of college-aged students  
23 actually going to college, and it's especially a  
24 crisis for us as a small college. And Lincoln is  
25 no exception to that.

1           We had seen nice enrollment increases  
2 for about the past five years, and what we saw last  
3 year was our enrollment sort of flattened out. And  
4 as we look at just who we attract, and some of the  
5 questions that you have about what is the right  
6 model for your institution, we're not expecting  
7 huge growth in the coming year. But our focus has  
8 been on right sizing and paying a lot more  
9 attention to not increasing first-year classes to a  
10 large degree, but to actually increase enrollment  
11 through retention.

12           And so, that's pretty much the plan we  
13 have in a business model we find.

14           While 20 percent of our operating budget  
15 comes from the state appropriation, another  
16 70 percent is student tuition, fees, and room and  
17 board, and we use increases in that tuition,  
18 especially to cover some of the increases in the  
19 cost that we have as an institution.

20           So Lincoln, for many years, has frozen  
21 tuition -- has frozen tuition for students for four  
22 years, so the tuition you come in with as a  
23 freshman remains your tuition for the four years, a  
24 way to incentivize students to actually graduate in  
25 four years and, in a way, also to help families

1 plan. So any tuition increases that we have  
2 proposed only go to first-year students.

3 We put forward a standard tuition  
4 increase this year to our board of trustees, and  
5 the motion was defeated. And so, with that we see  
6 -- What we will experience is -- is a lack of  
7 revenue from any increase that we have seen from  
8 year to year. So, it sort of puts us in a  
9 situation where we have to figure out how to plan  
10 for just the natural increases that happen; not to  
11 mention some of the obligations that we have.

12 So we just -- we just --

13 The board just approved three new  
14 collective bargaining agreements--thank you--each  
15 of which have promised 2.5 increase for faculty,  
16 for staff and for police officers. And then within  
17 the faculty collect bargaining agreement, they also  
18 have agreed to us putting in \$500,000 for an early  
19 retirement program.

20 And so, we have all these new  
21 obligations and we don't have a revenue structure  
22 for them. So we're looking for an increase to sort  
23 of help us out.

24 REPRESENTATIVE KINSEY: I appreciate  
25 that. And my time is almost up, so let me just ask

1 this other piece of the question, also.

2 Because you mentioned that declining  
3 enrollment this year, are we expecting that in the  
4 future -- Are we projecting to see declining  
5 enrollment in future years?

6 Then the second part of that question,  
7 since I can only talk for 30 seconds more, is, if  
8 you do not receive that additional 2-million-dollar  
9 increase, what -- what effect would this have on  
10 the quality of education at Lincoln University?

11 So, it's a two-part question.

12 DR. ALLEN: Two-part question. Real  
13 fast.

14 REPRESENTATIVE KINSEY: Are you looking  
15 to see --

16 DR. ALLEN: I'm not looking for a  
17 decline in enrollment. I'm looking for a flat  
18 enrollment.

19 REPRESENTATIVE KINSEY: Okay.

20 DR. ALLEN: What we've actually done is,  
21 we want to be realistic about our recruiting  
22 efforts and put some numbers out to our enrollment  
23 management people that would pretty much give us  
24 flat enrollment for next year.

25 And so, without an increase, we have



1 flat enrollment, so we'll have revenue about what  
2 we have this year, and we have to cover these  
3 additional costs of things that are just a part of  
4 cost increase from year to year.

5 But what will happen is that, we're  
6 gonna have to cut somewhere, so it's going to be  
7 looking at salaries and looking at non-personnel  
8 places where we can actually capture the dollars  
9 that we need in order to cover the obligations that  
10 we have going forward.

11 REPRESENTATIVE KINSEY: I appreciate  
12 that. My time is up.

13 But, Mr. Chairman, I do want to say, in  
14 closing, I hope that we are listening to Lincoln's  
15 request. I say that because, we have two HBCUs  
16 here in the State of Pennsylvania, and I think many  
17 of us here on Appropriations over the past year or  
18 so have had conversations with regards to the  
19 potential closing of an educational institution,  
20 and we sort of done some things. So I just hope  
21 that we can sort of help right this ship while  
22 Lincoln is at the point where it's at right now.

23 Thank you, Mr. Chairman. Thank you very  
24 much for that.

25 DR. ALLEN: Thank you.

1 MAJORITY CHAIRMAN SAYLOR:

2 Representative Lawrence.

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

5 President Barron, I appreciate your  
6 willingness to testify here today. I'm up top here  
7 above the Chairman. As a Penn State graduate, I  
8 share your desire to see the university thrive in  
9 the decades ahead.

10 I want to follow up with something you  
11 mentioned when you were speaking with  
12 Representative Topper, and that it is the proposal  
13 to build the 81-million-dollar art museum on  
14 campus. I've had a couple people question me on  
15 the need for this project.

16 For those who haven't been on campus,  
17 the university does have a museum, the Palmer  
18 Museum, which has been on campus for about 50 years  
19 and it's been renovated several times.

20 I want to speak about the proposed art  
21 museum in light of several documents I have  
22 reviewed, all generated by Penn State.

23 First, I reviewed the most recent master  
24 plan for the College of Arts and Architecture  
25 available on OPP, or the Office of Physical

1 Plant's, website. This master plan outlines a  
2 large number of prioritized projects. The absolute  
3 last priority, literally the last on a long list,  
4 is an expansion of the Palmer Museum of Art.  
5 Nowhere is the construction of a new art museum  
6 even contemplated.

7           There's a long list of other more  
8 pressing and more student-focused needs. A new  
9 museum is not listed as a priority of the College  
10 of Arts and Architecture at all, at least it wasn't  
11 when this comprehensive plan was formulated.

12           Next I want to speak about Penn State's  
13 Strategic Budget Task Force report, which Penn  
14 State released last August. I read this several  
15 times. And while we don't have time to go into all  
16 the recommendations in this report, many of their  
17 recommendations stress the need for alignment of  
18 capital projects with the university's core mission  
19 and recognition of the associated costs with the  
20 backlog of deferred maintenance on existing  
21 facilities on the University Park campus.

22           The same thing continues, in OPP's five-  
23 year capital plan, which is also posted on Penn  
24 State's OPP website, quoting directly from the  
25 capital plan, quote: The basic strategic

1 philosophy behind the 2018-2023 capital plan is  
2 addressing the significant backlog of deferred  
3 maintenance. With far more need than resources,  
4 it's a difficult job prioritizing these major  
5 investments.

6 It goes on to say that 40 percent of the  
7 buildings at the University Park campus are more  
8 than 50 years old. It says, many of these have  
9 seen no significant renovations, leaving the  
10 facilities and their systems in need of repair or  
11 replacement.

12 With that being said, in this five-year  
13 report, the focus on deferred maintenance takes a  
14 turn with a 43-million-dollar earmark towards the  
15 arboretum cultural destination Phase 1A, which I  
16 assume is referencing the art museum. This  
17 \$43 million, according to this five-year plan,  
18 comes from the education and general fund, which,  
19 according to this OPP document, comes primarily  
20 from state capital funds and tuition and fees.  
21 Again, press reports indicate costs for this  
22 proposed art museum might spiral to \$81 million.

23 So, at a time when Penn State physical  
24 plants says there's, quote, far more need than  
25 resources for repairing the educational buildings

1 on campus, we are looking at spending significant  
2 capital on what some might say is an unnecessary  
3 art museum.

4 So, with all of this being said, I have  
5 a couple of questions as it relates to this  
6 specific project.

7 How does the university justify spending  
8 \$81 million on a new art museum when the  
9 university's own strategic budget task force and  
10 the university's own master plan for the College of  
11 Art and Architecture stresses a significant backlog  
12 of deferred maintenance to be addressed?

13 DR. BARRON: Yes. So, I'm happy to  
14 answer that question and to correct some things.

15 So, not one penny of the education on  
16 general budget goes to this museum; not a single  
17 dollar. So this -- So that's one element.

18 A second element is that, that plan for  
19 arts and architecture was prior to receiving a  
20 total of what is near \$50 million in gifts in art,  
21 for which we are not capable of displaying, and  
22 which has moved us into that category of certainly  
23 the best museum between Pittsburgh and  
24 Philadelphia; but, in fact, gives us a national  
25 reputation in American art. And there are

1 considerable number of educational programs that go  
2 with it.

3           So, in this -- But now, I'll just give  
4 you an example. Many times we work to raise  
5 dollars, philanthropically, to help support  
6 projects all across the board, educational and  
7 otherwise. And that museum would not be built at  
8 the level that you just described without  
9 considerable philanthropy. So, \$17 million -- more  
10 than \$17 million has come into the door to support  
11 that museum from gifts that -- in six months.  
12 That's a remarkable statement about how community  
13 members want to see a greater cultural destination  
14 at Penn State.

15           REPRESENTATIVE LAWRENCE: So --

16           DR. BARRON: External -- External  
17 consultants have said they expect the number of  
18 visitors into Centre County to grow to as much as a  
19 half a million people a year because of the  
20 combination of the museum and the arboretum.

21           So there's many, many different facets  
22 to this, but I assure you that museum would not be  
23 there if we were spending one dollar that came from  
24 -- from any educational or general budget.

25           So, it comes from Big 10 media, and it

1 comes from philanthropy, and even the Big 10 media  
2 makes sense because more and more people do not  
3 want to go have hotel rooms and expensive games  
4 without something for their family to do. So the  
5 arboretum and the museums are a big draw for  
6 families to do something else.

7 So, we see it as a win-win in a lot of  
8 categories and strong support for the arts. I  
9 don't believe you can have a great university in  
10 this country without the arts of being a part of  
11 it.

12 So, I think the key part here is,  
13 there's no -- there's no dollars coming in here,  
14 except that are coming from outside the university.

15 REPRESENTATIVE LAWRENCE: My time is up,  
16 but I'll have a second round of questions,  
17 hopefully. Thank you.

18 MAJORITY CHAIRMAN SAYLOR:  
19 Representative Donatucci.

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

22 And thank you, Presidents and  
23 Chancellor, for being here today. I have two  
24 questions; one about graduating, one about  
25 athletics. I'm going to direct my questions to

1 Temple's President Englert because most of my  
2 family has attended Temple, and I'm from  
3 Philadelphia.

4 So it appears in recent years a good  
5 number of students are taking longer to graduate.  
6 Graduating on time is one of the best ways to save  
7 money. Can you talk about ways that you're  
8 promoting on-time completion, and what you're doing  
9 to keep students on track?

10 DR. ENGLERT: Thank you, Representative  
11 Donatucci. And thank you for everything that you  
12 and your family do for Philadelphia and for the  
13 Commonwealth.

14 We have in 2013, 2014, we started a  
15 program called Fly in 4. We recognized that one of  
16 the best ways to help students avoid excessive debt  
17 and for students to get back into the workforce is  
18 to have them graduate within four years.

19 So, this Fly in 4 Program has a number  
20 of components. Key to the components are having  
21 advisors who can advise them every semester,  
22 because they're required under the Fly in 4 Program  
23 to actually, every semester, go to an advisor.

24 We have other supports, including a  
25 special tuition scholarship program for those who



1 are most needy. 500 most needy are able to get  
2 \$4,000 in scholarship dollars each in order to  
3 lessen the amount of work that they do while  
4 they're studying. So many of our students work  
5 when they go to school. The more we can minimize  
6 that for students, the better it is.

7 In addition, we find that careful  
8 feedback to students throughout their program helps  
9 with more timely graduation. We also find that  
10 actually having the student sign an agreement,  
11 literally, symbolically, but even more than  
12 symbolically, psychologically gets them engaged and  
13 gets their families engaged.

14 So that Fly in 4 Program literally has  
15 been so successful, as I said before, that we  
16 actually lost revenue from people who used to stay  
17 five and six years, but it's something we -- That's  
18 good news. That's the good news. We want them to  
19 graduate in four years; get out into the workforce  
20 and, of course, become loyal alumni, and eventually  
21 donors. So, we've been very successful on that.

22 The interesting thing, if I may, because  
23 you mentioned athletics, if I could just stay on  
24 athletes, our student athletes are premiere in the  
25 classroom; literally among the very best in the

1 country. Three ways we look at it. Grade point  
2 average, our grade point average for all of our  
3 student athletes is 3.22, and they're taking  
4 difficult majors, difficult courses.

5 For example, our football players are  
6 engaged -- are enrolled in 37 different majors:  
7 Engineering, business, pre-med, et cetera. And so,  
8 these are student athletes who are great in the  
9 classroom, and also great on the field and in the  
10 arenas.

11 A second way we look at it is graduation  
12 success rate. A statistic for the NCAA, our  
13 graduation success rate for all of our student  
14 athletes, more than 500, is 90 percent. For our  
15 football players it's 88 percent. For our -- And  
16 that puts them in the top 25 in the country for FBS  
17 schools. And for our basketball players, the  
18 graduation success rate is 92 percent, and we're so  
19 proud. And that puts them in the top 25 also in  
20 FBS programs.

21 And then finally, the third way we look  
22 at it is the way NCAA uses the APR, academic  
23 progress rate. Are your student athletes making  
24 progress every semester towards graduation? The  
25 perfect score for academic progress rate is 1000.

1 Temple University student athletes for one year  
2 have 993, putting us in the top 10 without a doubt  
3 for the FBS. And for multi-year, because there's  
4 two different ways of doing it, 992, and that puts  
5 us also in the very elite top 10.

6 So, bottom line is, our student  
7 athletes, thanks to our coaches who believe in  
8 academics; thanks to our support center that -- the  
9 Resnick Support Center; thanks to donated dollars,  
10 supporting our student athletes. Thanks to our  
11 faculty and all of our advisors working closely  
12 together, we are truly among the very best in the  
13 nation in progress towards graduation, in actual  
14 graduation success rate, and in performance in the  
15 classroom, 3.32.

16 So thank you for those questions.

17 REPRESENTATIVE DONATUCCI: And even  
18 though I'm out of time, that was -- my second  
19 question, is, where there are athletics in any of  
20 the colleges or universities, how the student  
21 athlete was doing on the student side?

22 So, both questions if anybody else  
23 wanted to answer how it's going on in their  
24 institution?

25 DR. BARRON: I don't wanna play

1 one-upsman, but we posted a 91 percent instead of a  
2 90 percent for all of Penn State athletics. And so  
3 -- And just for context, over 50 of our football  
4 players add a 3.0 or better this year, and we will  
5 post a 1000 for our football team this year. So  
6 it's -- it's --

7                   And to tell you the truth, our football  
8 players eat at the training table by order of grade  
9 point. This is an important signal; that it's  
10 important to have good grades. And so, we also  
11 work hard at this and with success.

12                   MAJORITY CHAIRMAN SAYLOR: Chancellor,  
13 are you gonna up him?

14                   CHANCELLOR GALLAGHER: We'll share ours  
15 on paper so they don't feel bad. No.

16                   (Cross-talk).

17                   CHANCELLOR GALLAGHER: -- a good story.

18                   REPRESENTATIVE DONATUCCI: Is everybody  
19 graduating on time?

20                   CHANCELLOR GALLAGHER: Like the pros and  
21 athletics office they're finishing early because --

22                   REPRESENTATIVE DONATUCCI: My first  
23 question was about, are we getting more students  
24 graduating in four years because they know it has  
25 been expanding in recent years?

1 DR. BARRON: A very high success rate.  
2 And, of course, one -- one of our issues is that,  
3 if you're very successful and very competitive, the  
4 pros try to take you early. And so, part of this  
5 effort in graduation rate is, actually, convince  
6 people how important it is to get that degree  
7 because you won't be playing on a professional team  
8 forever.

9 MAJORITY CHAIRMAN SAYLOR: Okay. Our  
10 Chairman of our House Education Committee.

11 Before I let him start, I've got to head  
12 out to another meeting here in the Capitol. But I  
13 want to thank all of you as Presidents and  
14 Chancellors for coming. You have great  
15 institutions, and I look forward to working with  
16 you as we go through this budget process.

17 And I will turn it over to my vice  
18 chairman, Representative Dunbar, to finish the  
19 meeting. Again, thank you very much.

20 Representative Sonney.

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

23 Thank you, Presidents, Chancellor, for  
24 being here.

25 I found it interesting on the comment of

1 the high-end institutions and, obviously, easy to  
2 understand. And I'm just kind of curious as if --  
3 if that, you know, spread out throughout the branch  
4 campuses. In other words, if a student is going to  
5 a branch campus, it's still Penn State. It's still  
6 Pitt. It's still Temple. You know, in my area  
7 it's Penn State-Behrend.

8 And so, you know, does that -- does that  
9 spill out to those branch campuses, or do those  
10 students really feel like they need to be at main  
11 campus? That's -- You know, that's where they're  
12 really going to get that designation.

13 DR. BARRON: Yeah. So, in our case, the  
14 Penn State degree is a Penn State degree. There's  
15 nothing different on your diploma, whether it's  
16 world campus or any other campus, and that's  
17 because we expect the courses to be taught the  
18 same.

19 So, for example, all the math faculty  
20 across the state of -- across the State of  
21 Pennsylvania join together to make sure the math  
22 curriculum is the same regardless of where it's  
23 taught. Difficult problem. I actually have them  
24 over to my house for dinner just because this is  
25 quite a task to do to make sure a Penn State degree

1 is a Penn State degree.

2           There are cost-saving differences. With  
3 the campuses they don't have to have the same level  
4 of breadth. You can focus programs based on  
5 regional needs. So, for example, plastics industry  
6 is very important in Erie. Plastics program makes  
7 sense. Saint Joe's joined Penn State Health.  
8 Berks, we strengthened the nursing program.

9           So they don't have to have the same  
10 level of comprehensive degree, but they do need to  
11 be -- So, in some cases there's four years that  
12 they can go through. We have more and more  
13 students in four-year programs at the campuses.

14           But let's just say you start in  
15 chemistry, but I use the example of material  
16 sciences. Material sciences, high-end materials,  
17 nanomaterials, these are profoundly important to  
18 the -- to the nation, and that would be difficult  
19 to have a program like that at the Behrend campus,  
20 but that's where you're really competitive on  
21 equipment, laboratories, the type of faculty that  
22 you're trying -- trying to attract. So there are  
23 differences.

24           There's definitely cost savings, and  
25 that's part of the reason why it's less expensive

1 to go to one of our Commonwealth campuses. But,  
2 each and every one of those students has access to  
3 the very highest degree of opportunity if they want  
4 to take it.

5 REPRESENTATIVE SONNEY: Are they still a  
6 feeder to the main campus? I can remember when  
7 Behrend was first established. You know, it was a  
8 two-year college --

9 DR. BARRON: So more --

10 REPRESENTATIVE SONNEY: -- and then it  
11 moved to a feeder system.

12 DR. BARRON: Yeah. More and more, there  
13 are programs that allow people to stay, if they  
14 wish, or to move. So, a significant number of  
15 students still move to University Park. That's  
16 part of the reason why we limit the number of  
17 freshman that can go there in order to provide  
18 opportunities for juniors and seniors.

19 But actually, what I would say is, the  
20 student gets to decide. I want to be a nurse, I  
21 can do it at Berks. I want to be an engineer, I  
22 can do it in Harrisburg. Or they can decide, I  
23 want to be a nuclear engineer, and then they're  
24 transferring from engineering to University Park.  
25 So, they have the opportunity to access the breadth



1 of the university.

2 REPRESENTATIVE SONNEY: Does tuition  
3 vary at every one of those institutions?

4 DR. BARRON: We -- We are serve-in-  
5 tiers, so we have four tiers. So some of our  
6 two-year campuses have the very lowest tuition  
7 levels.

8 CHANCELLOR GALLAGHER: I wanted to make  
9 a comment. I think that the synergies across the  
10 main campus, and the smaller regional campuses is  
11 real. In terms in both of a brand, that single  
12 degree, it's the same at Pitt, that matters;  
13 effects of recruiting. And I think that the  
14 smaller campuses being able to lean back on an  
15 R1 university for support, guidance, and curriculum  
16 development is a real asset.

17 In terms of the mobility of students, I  
18 think it's lower than most people understand. So,  
19 at Pitt, you know, we're oversubscribed on the  
20 Pittsburgh campus. We will do for students who  
21 can't -- that don't get in, we'll admit them on our  
22 regional campus where we have the capacity. The  
23 yields, in other words, the number of students that  
24 accept that acceptance is very low.

25 And, conversely, we watched the number

1 of students transferring back. While it's --  
2 That's a larger number, it's still fair. Most  
3 people -- Most students when they get to a campus  
4 and get to like it and get attached to, most stay  
5 there and complete their studies.

6 So, I think it's helpful to think of  
7 those smaller campuses operating in some ways in a  
8 different marketplace than the main campus.

9 REPRESENTATIVE SONNEY: Do you think the  
10 majority of the students want the main campus?

11 CHANCELLOR GALLAGHER: Well, the  
12 demand would certainly indicate that.

13 REPRESENTATIVE SONNEY: Thank you.

14 Thank you, Mr. Chairman.

15 ACTING MAJORITY CHAIRMAN DUNBAR: Thank  
16 you, Chairman.

17 Before we go on to a second round of  
18 questions, I just wanted to touch base on the  
19 Coronavirus. We've heard a lot of discussion about  
20 that throughout the week between the Department of  
21 Health and PASSHE earlier.

22 So, for each of you, any student  
23 studying abroad, you're almost a flash point  
24 between the student studying abroad, exchange  
25 students. Have you had discussions with the

1 Department of Health how to deal with it? And  
2 also, research, which I believe Chancellor  
3 Gallagher can speak of as well. So, whoever wants  
4 to go.

5 DR. ENGLERT: We certainly have a -- We  
6 have a campus abroad in Italy in Rome; not in the  
7 north of Italy, but we monitored it very carefully.  
8 And as soon as the CDC came out with its level 3,  
9 level 3 warning I guess you call it, we withdrew  
10 everyone from the -- from the Rome, Italy program.

11 It's a study-abroad program, and so,  
12 students were studying abroad. I feel so bad for  
13 the students. The students wanting to have an  
14 entire semester in Rome had to come back. But,  
15 they come back. They go into self-isolation for  
16 two weeks, keeping in touch with our -- our student  
17 health, and then we would provide for them the rest  
18 of their program online or however.

19 We also have banned a week early --  
20 well, before that. When things started breaking in  
21 China, we banned travel to China, university travel  
22 there. We also withdrew some students who were in  
23 South Korea, just a handful of students, and  
24 brought them back home.

25 As with anything, we continue to

1 monitor, but I feel so bad for the students because  
2 they were looking for an experience; aren't able to  
3 get it. But our commitment is to make them whole  
4 in terms of their program and in terms of their  
5 classes.

6 CHANCELLOR GALLAGHER: So, we've  
7 activated our pandemic plan about three weeks ago  
8 in our emergency operation center last week,  
9 formally. Basically, you could think of it as sort  
10 of four buckets of activities. We have  
11 international students on our campus who are from  
12 countries that are being highly impacted by the  
13 Coronavirus now. They can't return. They have  
14 family there. Some are on visas; will complete  
15 their studies.

16 We don't want to be in a situation where  
17 we'd be sending them back into a high-risk area. A  
18 lot of planning; a lot of communication directly  
19 with them through our Office of International  
20 Studies; and also trying to do contingency  
21 planning. Can we provide them extended housing,  
22 and so forth, if there's delays there?

23 The second population are students here  
24 in the U.S. that were planning or are abroad. We  
25 have a very extensive study-abroad program in

1 multiple countries. We have been -- For students  
2 already abroad, tying it to the CDC travel advisory  
3 levels, again China, Iran. We didn't have students  
4 in Iran. South Korea, Italy, and now to three more  
5 countries in Europe, those students are being  
6 called back.

7           We have canceled our student  
8 study-abroad program that was to take place for  
9 spring break next week, and we continue just to  
10 monitor that situation.

11           The third one, of course, is for what  
12 happens if we are seeing community-based  
13 transmission in the vicinity of our campuses.  
14 That's mostly contingency planning. We're working  
15 closely with federal and state and local health  
16 department officials; with UPMC. It's really  
17 across the board.

18           Education, Q and A centers being set up.  
19 We've increased availability of sanitation.  
20 Janitorial service has been expanded to do -- clean  
21 surfaces, things of that type.

22           Then finally on the research front, as  
23 you might imagine, a very active area. Pitt has a  
24 long track record doing vaccine-based research, and  
25 our center for vaccine research has the Coronavirus

1 in its bio-safety level 3 facilities doing active  
2 research on a new vaccine, and it's one of only a  
3 handful of sites in the U.S. -- university-based  
4 sites in the U.S. doing that work. So, very active  
5 and ongoing. And as you know, changes by the hour.

6 DR. BARRON: So Penn State is also  
7 working very actively here. We've stood up 12  
8 different groups to work on everything from the  
9 study-abroad programs, potential disruptions that  
10 might occur in supply chain or other abilities.  
11 Housing for the summer, communication strategies,  
12 so a large number of groups to look at every  
13 conceivable; one for athletics. Even in case that  
14 large gatherings become something that are  
15 problematic.

16 And we have decided that all spring  
17 break programs should not go forward no matter  
18 where they are, so that announcement was made this  
19 morning, I believe. Or if not, it's going to be  
20 made today.

21 We have followed the path of when CDC  
22 goes to level 3, that then we need to end our  
23 semester programs. This is a challenge. Part of  
24 what we've done is looking at how it is that we  
25 make sure that the students are quarantined in that

1 particular case. But also, how we can deliver the  
2 rest of their education so that they're not  
3 basically, you know, losing a semester.

4 CDC asked us to consider ending all  
5 semester programs. We're systematically going  
6 through those today where there's risk and where's  
7 there less risk, and making sure that we are  
8 successful in ensuring that they don't lose that  
9 particular credit.

10 As you can imagine, we have parents who  
11 say, how dare you bring my kid home. They're  
12 having such a great time in such and such a  
13 country, and there's no one there. And we have  
14 other people who are saying, how could you be so  
15 irresponsible as to leave the students in such and  
16 such a place, whether they have a risk or not.

17 So it's a very interesting --  
18 interesting topic to work through, but we've really  
19 pulled out all the stops to get across the  
20 university to deal with the ramifications.

21 ACTING MAJORITY CHAIRMAN DUNBAR: Doctor  
22 Allen.

23 DR. ALLEN: So most of our study abroad  
24 happens during this break so no one has gone  
25 anywhere yet, except just got back from spring

1 break and people on their own went many places. So  
2 we are following the Chester County Health  
3 Department and precautions; doing some extra  
4 cleaning on our campus, and putting out the kind of  
5 alert; information for students, as I sit here with  
6 my antibacterial Wet Ones, to practice the best  
7 co-etiquette that we can. We have our health  
8 services on -- on call should we have any people  
9 showing any symptoms.

10 ACTING MAJORITY CHAIRMAN DUNBAR: Thank  
11 you. Thank you all.

12 And next question will come from  
13 Representative Kim.

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

16 I've met a couple -- not a couple; a  
17 number of students who are first-time college  
18 students. They go there first year. For whatever  
19 reason, they drop out. So they have college debt,  
20 no degree, nothing to show for. And so, I was  
21 really excited to see Doctor Barron's Achieve Penn  
22 State. From what I understand, it's removing  
23 obstacles, financial or other barriers to help  
24 students stay there and graduate on time.

25 I want to give you a platform to talk



1 about it. I know this is important to you. And  
2 just would like other colleges, universities,  
3 simulate it if you haven't already.

4 DR. BARRON: So, basically, this is a  
5 systematic effort to look at each place where we  
6 lose students. And we begin with something called  
7 Raise Me where a student -- We know if a student  
8 comes to the university better prepared, that  
9 they're more successful and don't have to take  
10 classes earlier in a sequence, say, from  
11 apps (phonetic).

12 So, Raise Me all across the State of  
13 Pennsylvania take college-ready classes. We give  
14 you points, and those points turn into  
15 scholarships. So this is an incentive to be ready.

16 We have another phase of it which is  
17 Correct Placement, because, say a calculus class  
18 across the country or across the state is not the  
19 same. And so, we make sure that we place people at  
20 the beginning so you don't do poorly, have to go  
21 back and take the prior class, and then take the  
22 next class because I just cost you three semesters  
23 by having you take -- placed incorrectly.

24 We have a program called Summer Pass.  
25 Basically, you're on campus in the summer, six

1 credits the first summer, 12 credits the second  
2 summer, a scholarship, a summer job provided by the  
3 university. That means that if that student is  
4 interested in biology, they end up in a biology lab  
5 since the student -- since the university is  
6 providing, guaranteeing a summer job. So this gets  
7 them excited in what they're doing.

8           So the idea is, before they start their  
9 second fall, they're 18 credits ahead. So if  
10 they're having to work multiple jobs and taking up  
11 smaller load, they never graduate on time, if they  
12 don't give up. So, by giving them this head start,  
13 it makes sure that even if they're working, they  
14 can graduate on time. Saves them a lot of money,  
15 but we're seeing higher retention rates, higher  
16 grade points, lower drop rates among those  
17 students. So, big impact. We expect to start to  
18 see these students graduating and being successful.

19           Then we know that we charge less if  
20 you're at a campus. And then if you transition to  
21 another campus, after a semester we can't  
22 distinguish the quality of the students in the  
23 classroom. This is important in a lot of  
24 Pennsylvania students' access. But, they take an  
25 extra semester. So Step is designed to have the

1     advising and opportunity so you don't take that  
2     extra semester. You don't take a misstep at the  
3     beginning.

4             And finally, we have something called  
5     Complete Penn State. Complete Penn State is  
6     looking at anybody that's at risk of dropping out  
7     with a high grade point. Within 30 credits of  
8     graduation, literally, we tap them on the shoulder  
9     and say, what's going on if they're about to drop  
10    out or if they have dropped out. So we have  
11    another 400 students in that category. In the year  
12    that followed us tapping them on the shoulder, all  
13    but five or six have graduated. So this is getting  
14    to the finish line.

15            And then, in addition to that, we have a  
16    financial literacy program that helps people not  
17    just in student debt, but even advice on credit  
18    cards. People all over the world are taking these  
19    modules now at an endowed financial literacy  
20    center.

21            And finally, this is the centerpiece for  
22    our philanthropic effort. And so, we've been  
23    matching dollars for those scholarships. We do  
24    that because, normally, we just think about giving  
25    someone a scholarship. We don't think about

1 helping someone get to the finish line. And so,  
2 this philanthropy for which we're raising -- Our  
3 goal is to raise \$500 million that helps support  
4 students in these programs that we call Open Doors  
5 for Philanthropy, but are part of Achieve Penn  
6 State.

7           We've just stood up a group to look at  
8 ways in which we can do food security and housing  
9 security for the number of students that we have  
10 that run out of money, don't eat, and then somehow  
11 are supposed to take a final exam without --  
12 without food. And so, that's another part of  
13 Achieve Penn State that we're beginning to tackle;  
14 to make sure students get across the finish line.  
15 We know if we can get them across the finish line,  
16 they get a great job. Even if they borrow money,  
17 they pay it back because they have a great job.

18           So the tragedy is, as you correctly  
19 said, is to borrow money and not finish. That's  
20 the greatest tragedy that I can think of for a  
21 student.

22           REPRESENTATIVE KIM: It's a really  
23 thoughtful program. You're meeting the kids where  
24 they are, and I really appreciate this program.  
25 And I'm --

1 DR. ENGLERT: May I mention just a  
2 couple real quick ones?

3 We have found, in addition, that  
4 articulation with community colleges, this is so  
5 important. We have over a hundred articulation  
6 agreements to make a smooth transition, because  
7 transition from one institution to another is often  
8 a roadblock, and so, we do that.

9 In addition to our Fly in 4 Program, we  
10 also have what we call the Temple Option. The  
11 Temple Option is for students who are great  
12 students. Students that are ambitious, study hard,  
13 do well in high school, but just don't do well on  
14 standardized tests, we have them do an alternative  
15 to a standardized test. And Temple Option, about  
16 20 percent of our new freshman come in on the  
17 Temple Option, and they do as well as students who  
18 take standardized tests, which is amazing.

19 And then, finally, we have a mid-  
20 semester check on students. If students are not  
21 doing well, they get flagged right away by their  
22 instructor and they must see an advisor. And that  
23 catches so many students, who, not only for  
24 academic reasons, but sometimes for personal  
25 reasons. And then they get referred to a team we

1 call the care team, and that care team helps that  
2 student.

3 So, those are some additional thoughts.

4 REPRESENTATIVE KIM: Thank you. Thank  
5 you for those programs. It's really important.

6 Thank you, Mr. Chairman.

7 ACTING MAJORITY CHAIRMAN DUNBAR: Thank  
8 you, Representative. We're gonna allow some  
9 questions on the second round, but I'm gonna  
10 preface that with a warning to the members. Let's  
11 try to be thoughtful of time here. We are going to  
12 try to limit this to about 3 minutes for each  
13 question.

14 So we will start with Representative  
15 Brown.

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

18 And thank you all for your patience and  
19 a lot of time here on your details to all the  
20 questions. I'm gonna gear this towards Temple, but  
21 feel free for any of you to answer the question.

22 My colleague, Representative Bullock,  
23 often asks the question about diversity in the  
24 staff and in the president positions and the  
25 students and all of that. I want to expand on that

1 conversation just a little bit as far as diversity,  
2 but fairness and opportunity and to ensure that  
3 there's no discrimination happening at any level.  
4 No matter what subject we're talking about or what  
5 arena, zero discrimination.

6           There have been several conversations  
7 that I have had here with our legislative liaison  
8 to Temple in the Capitol that have been strongly  
9 listened to and -- but yet, there's really not been  
10 a policy given to me yet, as of yet.

11           My concern is and question really is,  
12 when there's a non-traditional student, if you talk  
13 about non-traditional public school K through 12,  
14 whether it's a home-schooled student, a charter  
15 school student, a Catholic school student -- And  
16 I'm specifically saying Catholic school student  
17 because based on an experience.

18           How does the GPA of that student  
19 evaluated and considered whether it's for  
20 acceptance or for merit? And I really -- I was  
21 hesitant on even bringing up the conversation  
22 today, but I really do want it on record, because I  
23 do believe it's so important. And I believe that  
24 when we talk about opportunities and diversity and  
25 all this, we have to make sure nothing is happening

1 on any level.

2 So I'd like to get your feelings on how  
3 that student's GPA, whether on the religious end,  
4 is the religious education pulled out, or is it  
5 evaluated differently for those students?

6 DR. ENGLERT: Okay. My understanding is  
7 that there is a core group of courses that is  
8 looked at in order to standardize across all  
9 populations. Those are English, math, the  
10 sciences, social sciences, and what's the fifth  
11 one? Foreign language. And those fairly  
12 standardize across all schools tend to be the core  
13 of doing that kind of an analysis.

14 However, in addition, a complete  
15 analysis, portfolio of analysis of other courses;  
16 you know, the arts courses, or elective courses, et  
17 cetera, is also given. The admissions person  
18 should be looking at the whole student, and,  
19 obviously, doing some things in a fairly  
20 standardized fashion with respect to those five  
21 core groupings of courses. But, in addition,  
22 looking at the entire student.

23 So, I'm not an admissions person, so I'm  
24 giving some general. But, we welcome, we welcome  
25 diversity of all kinds, and we have outstanding --



1           Since you mentioned Catholic, we have an  
2           outstanding Newman Center, which I think is the  
3           best Newman Center around because of Father Sean  
4           who runs it. That is a home for so many of the  
5           Catholic students at our -- at our university.

6           REPRESENTATIVE BROWN: Thank you,  
7           Mr. Chairman. I see the red light on already.  
8           Thank you.

9           ACTING MAJORITY CHAIRMAN DUNBAR: Thank  
10          you, Representative.

11          Next will be Representative Lawrence.

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

14          President Barron, back to the art  
15          museum. You referenced the Big 10 media contract  
16          several times today. What dollar amount from the  
17          Big 10 media contract is slated to pay for the new  
18          art museum?

19          DR. BARRON: So, basically, support of  
20          band, support of mental health, support of the art  
21          museum, it's \$4 million. It comes from the Big 10  
22          media contract.

23          And I neglected to say --

24          REPRESENTATIVE LAWRENCE: It would be a  
25          part of \$4 million towards an 81-million-dollar art

1 museum?

2 DR. BARRON: Right.

3 And I neglected to say one other thing,  
4 and that is, the current art museum is in the core  
5 of the campus; highly valuable space. So, by  
6 moving the art museum to the arboretum at the edge  
7 of campus, we now have the ability to re-purpose  
8 the current art museum; use it for other purposes  
9 at a much cheaper level than building another  
10 academic building.

11 So, for example, the galleries are just  
12 about the size of a good classroom. And we've  
13 worked hard to save money in terms of not building  
14 classroom buildings. So there is also a net  
15 benefit, in terms of core campus space, by moving a  
16 collection of art and the academic programs  
17 associated with it off of campus.

18 REPRESENTATIVE LAWRENCE: So, several  
19 press reports indicate that Penn State anticipates  
20 400,000 visitors to the new art museum per year,  
21 and you mentioned just a moment ago, a half million  
22 people.

23 By comparison, the existing art museum  
24 on campus, the Palmer Museum averages 100 visitors  
25 a day. I looked into -- I didn't know. I looked

1 it up. The world-renowned Philadelphia Museum of  
2 Art, with works by Uremol -- Renoir, Mo net, Degas,  
3 other world masters sees 800,000 visitors a year.  
4 So I think 400,000 is optimistic. Let me just say  
5 that.

6 It seems from press reports that a  
7 consultant was hired who provided this  
8 400,000-dollar (sic) number. Who was this  
9 consultant, what were they paid, and can this  
10 Committee get a copy of that consultant's report?

11 DR. BARRON: Absolutely, you can have a  
12 copy of the report. I don't remember the name of  
13 the consultants. But, I believe that they looked  
14 at this holistically, in terms of the number of  
15 visitors, because -- because the expectation for  
16 them, for example, is the number of school children  
17 in central Pennsylvania that have no access at all  
18 currently, and school buses do not come onto the  
19 central campus.

20 So the museum that we have, including  
21 the art museum and mineral collections, are ones  
22 rarely visited by school children. And so, because  
23 this becomes accessible to so many rural counties  
24 in the State of Pennsylvania that have access to  
25 nothing --

1                   REPRESENTATIVE LAWRENCE: I mean, that  
2 sounds spectacular, and I'm not disagreeing with --  
3 And I want to see the children of Centre Hall and  
4 Bald Eagle have a world class art experience.

5                   But what I'm also looking at is a five-  
6 year capital plan and a strategic budget task force  
7 report that outlines tens of millions of dollars in  
8 deferred maintenance that, you know, is being  
9 pushed down the list in favor of an 81-million-  
10 dollar art museum, which, I just fail to see the  
11 justification for, the basis for. And I think, if  
12 I'm speaking candidly, a potentially inflated  
13 number of visitors.

14                   I mean, will there be an admission  
15 charge for the museum?

16                   DR. BARRON: Well, so, all of this is  
17 yet to be decided. So one of the things that  
18 you're seeing is that, we exceeded our goals from  
19 alumni and friends, particularly local community  
20 members. We exceeded the fundraising goal because  
21 of the value of this to -- to the local  
22 communities.

23                   So, there is the potential that these  
24 extra dollars can go to support programming and  
25 assistance that might allow us to have it be free

1 for those school buses. So, we have to take that  
2 as -- as it -- as it comes. But --

3 REPRESENTATIVE LAWRENCE: How much has  
4 been raised in fundraising to date?

5 DR. BARRON: What?

6 REPRESENTATIVE LAWRENCE: How much has  
7 been raised in fundraising?

8 DR. BARRON: We exceeded 17.1, and we're  
9 not done yet. We still have other promised gifts  
10 that are in there.

11 So, it is a significant signal from the  
12 community of how important this is to the local  
13 community, and the -- Although you cite the  
14 Philadelphia Museum, and I can understand that  
15 level, part of the reason why the consultants also  
16 said it in terms of things like school buses that  
17 would come through is the fact that it's combined  
18 with things like the arboretum and other activities  
19 that make it more of a regional draw than you might  
20 have for an art museum within -- within a -- This  
21 really brings a high level of cultural interest to  
22 central Pennsylvania.

23 ACTING MAJORITY CHAIRMAN DUNBAR: Thank  
24 you, Representative.

25 Next will be Representative Delozier.

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

3                   I have a quick question and -- it's  
4 regarding the issues of our student population. We  
5 talked when I asked earlier about the level of  
6 education that our students are getting. So, two  
7 things.

8                   One, we also had you speak about some  
9 efficiencies, and you all mentioned efficiencies  
10 that you had at your schools. So my two questions  
11 are, one, do those efficiencies when you save  
12 dollars go into tuition reduction and allowing for  
13 lower tuition? Not that the tuition goes down, but  
14 just in the sense of being able to better serve the  
15 students with that.

16                  And also, second, what programs do you  
17 have at your schools to keep those well-trained,  
18 educated, great Pennsylvanians, even if they're  
19 only for four years here in Pennsylvania, because  
20 we'd like to keep them in our workforce here in  
21 Pennsylvania?

22                  DR. BARRON: We've been busily saving  
23 money each and every year. But in the next three,  
24 including this one, I made a pledge to my board to  
25 save \$150 million. We have an agreement that about

1 half of that will go into access and affordability.  
2 Many people look at tuition and believe that that  
3 is the key. But, in my case, you know, that's \$180  
4 a semester for everyone, whether they're wealthy or  
5 not.

6 So, a significant portion of our savings  
7 we want to go to make sure students not expected to  
8 graduate, graduate. So this should be the level of  
9 taking a need-based middle-class students and  
10 giving them four and \$5,000; not -- not 180. But  
11 the agreement with the board is that, half of those  
12 dollars roughly will go into access and  
13 affordability initiatives, and half of it will go  
14 into innovation to make sure that we're doing the  
15 technology that saves students' operational time  
16 and allow them to focus on educational activities.

17 We noticed that even for out-of-state  
18 students, about 20 percent of them stay in  
19 residence in the State of Pennsylvania. We also  
20 have economic development centers, we call them  
21 launch boxes. I'm about to cut the ribbon on  
22 number 21.

23 So, we have an economic development  
24 center within 30 miles of 96 percent of the  
25 population of Pennsylvania. Community members can

1       come in the door. Students can come in the door.  
2       They're partnerships with the communities. They're  
3       in the communities. Faculty can come in. You can  
4       get free legal assistance, business advice. And a  
5       huge portion of that is --

6                   And to tell you the truth, I sit there  
7       and tell students, you can go to Silicon Valley,  
8       pay a fortune for a really crummy place to live  
9       and eat Ramen noodles and build your business. Or  
10      you can do it in Pennsylvania, have a nice place to  
11      live, and a good hamburger for dinner, and Penn  
12      State's right behind you, helping you build your  
13      company through our launch boxes. A lot of  
14      opportunity there.

15                   We're seeing about 70 student startups a  
16      year come out of that program, and we're watching  
17      many of them build their companies right here in  
18      Pennsylvania. So, in our view, this is part of our  
19      job, is to promote economic development in the  
20      State of Pennsylvania.

21                   REPRESENTATIVE DELOZIER: Thank you.

22                   ACTING MAJORITY CHAIRMAN DUNBAR: Thank  
23      you, Representative.

24                   Next will be Representative Struzzi. I  
25      loved the look.



1                   REPRESENTATIVE STRUZZI: Good afternoon.  
2 Over here.

3                   I know this is not my -- this is the  
4 second round, but this is my first-round question.  
5 Here's my thought. Okay. And we had this  
6 discussion, and each of you are requesting a budget  
7 appropriation in many cases to provide lower  
8 tuition rates.

9                   We spent this morning with the  
10 Chancellor of the State System, the struggling  
11 State System. So Penn State is asking for  
12 343 million; Pitt, 173 million; Temple,  
13 162 million; and Lincoln, 17 million. And then --  
14 And this thought came to me as I was listening to  
15 the discussion. Penn State's branch campuses have  
16 tiered tuition rates.

17                   My question is, as everyone is vying for  
18 state dollars to lower tuition rates, and we have a  
19 struggling State System, are we creating unhealthy  
20 competition between the state-related universities  
21 and the State System? Your thoughts.

22                   DR. BARRON: So, I think broadly about  
23 access and affordability initiatives in terms of  
24 those costs. We, right now, have had three tuition  
25 freezes in five years for in-state students. The

1 state appropriation over that same period of time  
2 has been sub-inflation. My tuition rates have been  
3 sub-inflation. It is now cheaper to go to Penn  
4 State in real dollars today than it was five years  
5 ago.

6 At the same time, my costs, if I think  
7 of the state retirement system, I'm the only  
8 institution here that is in the state retirement  
9 system, as a matter of law. In 10 years it's gone  
10 up \$100 million; about one percent of tuition  
11 increase a year. Yet, we've managed to stay  
12 sub-inflation on our revenues from the state, and  
13 sub-inflation for our revenues for students. So,  
14 we spend a lot of time cost-cutting and looking for  
15 efficiencies.

16 It is hard when your costs are going up  
17 60 to \$80 million a year just on the basics for us  
18 to continue that particular -- particular process.  
19 And we have a couple of ways out. We can do it  
20 philanthropically, which we're working really hard  
21 at. I gave you a number. The state can provide  
22 additional resources.

23 Right now, Penn State has the lowest  
24 student funding from the Commonwealth of any  
25 institution that you support by a considerable

1 margin. And whatever you give me, I more than  
2 double in a discount compared to out-of-state  
3 tuition. So, in my mind, this really does serve to  
4 benefit the residents of the State of Pennsylvania.  
5 70 percent of my students are from the State of  
6 Pennsylvania. I work very hard at every campus not  
7 to go out and get out-of-state students to cover  
8 the shortfalls. So, this really does translate  
9 into more affordable education for our students.

10 But, unfortunately, Pennsylvania also  
11 ranks, depending on how you do it, 48th or 49th in  
12 its support of higher education. It's very hard  
13 for us to manage those -- those costs and the  
14 growth of those costs without more support.

15 But I just want you to know, every  
16 dollar you give us is going straight into the hands  
17 of students in one way or another.

18 CHANCELLOR GALLAGHER: All the good  
19 things happening at Pitt on that. But I heard you  
20 asking a policy question that I think is actually  
21 really important.

22 I would say, my general answer is, yes,  
23 you should be worried about this. I think the most  
24 -- the most crowded segment of Pennsylvania's  
25 market is in smaller campus, geographically

1 dispersed campuses, whether that's PASSHE, Pitt's  
2 regional campuses, Penn State. Frankly, the  
3 community colleges are probably competing in some  
4 of that space and, of course, a lot of privates.

5           The number of college-aged students that  
6 have -- to draw from these catchment basements are  
7 -- is shrinking. We have not seen the full decline  
8 yet. That's 2026, right, because the fertility  
9 rate dropped in 2008. So we're getting our first  
10 glimpses, and it's pretty ugly, right? I mean, you  
11 can see the enrollments going down.

12           I think what's hard to do, how do you  
13 optimize? I think you're asking the right  
14 question. Given the state's mix, how do you spend  
15 -- allocate most effectively to preserve two  
16 things.

17           One is -- This was touched on. If the  
18 state doesn't have economic opportunity to grow and  
19 attract businesses and jobs, we're gonna see the  
20 worst aspects of this demographic decline.

21           REPRESENTATIVE STRUZZI: Right.

22           CHANCELLOR GALLAGHER: And the states  
23 right around us are competing like crazy to pull  
24 the best students out of Pennsylvania. So you want  
25 to do that. Compete hard. We want the best brains

1 coming here. We want to grow stuff here.

2 The second one, though, is really, give  
3 them whatever new economies are coming in here,  
4 whatever economic opportunity we create, how do we  
5 make sure the people living in the Commonwealth  
6 have the opportunity to participate in that new  
7 economy? And that's really where these other  
8 campuses play a critical role. It's all about  
9 providing that broad base of access.

10 I would say, you know, we've said this  
11 before, but we would welcome the opportunity to  
12 work with you on that question. It's a little hard  
13 for us because it goes across systems. But I think  
14 it's -- I think it's probably gonna be one of the  
15 central questions that the Commonwealth faces over  
16 the next few years.

17 REPRESENTATIVE STRUZZI: Well, thank  
18 you. I appreciate that. I know my time. But I do  
19 think, as Chancellor Greenstein said this morning,  
20 it's gonna take all of us working cooperatively to  
21 get this -- find a solution for all these issues.  
22 And I think that includes the State System and  
23 State-Relateds.

24 So, thank you.

25 ACTING MAJORITY CHAIRMAN DUNBAR: Thank

1 you. Next will be Representative Topper.

2 REPRESENTATIVE TOPPER: Good afternoon,  
3 once again. The question, specifically for Temple  
4 and President Englert, as I was looking over your  
5 report, which is good that I actually do read some  
6 of the materials you guys provide us.

7 DR. ENGLERT: Thank you. We put a lot  
8 of work into it.

9 REPRESENTATIVE TOPPER: One of things it  
10 says is that, and part of your research is on water  
11 contamination this year.

12 DR. ENGLERT: Yes.

13 REPRESENTATIVE TOPPER: For our caucus,  
14 the House Republicans, I know we've had several  
15 leaders in the southeast on this issue based on  
16 PFAS and PFOS issue, especially in the military  
17 base that is in the southeast located in Montgomery  
18 and Bucks. Federal inaction has certainly played a  
19 part in making it worse over the years, so we, as a  
20 state, stepped up trying to work.

21 Is that, then, some part of your  
22 research? And is that a way that a university like  
23 Temple could help us out as a state as we try to  
24 clean up what was a federal problem.

25 DR. ENGLERT: I'm not certain whether

1 that specific, what you cited is part of the  
2 research. But we have one of the top researchers,  
3 Rominder Suri, who's outstanding. He has been --  
4 He has a grant, for example, from USAID working  
5 with Egypt and water cleanup, water  
6 decontamination. My understanding is, he has  
7 connections with the Department of Defense for the  
8 same. So, it is possible.

9 REPRESENTATIVE TOPPER: Would it be --

10 DR. ENGLERT: But I think that is  
11 something we could help with because --

12 REPRESENTATIVE TOPPER: Would that be  
13 something you could check for us --

14 DR. ENGLERT: I will.

15 REPRESENTATIVE TOPPER: -- check for  
16 sure? This has come up. This issue has come up in  
17 multiple variances here on this Committee and folks  
18 have asked questions.

19 It just occurred to me, as I was looking  
20 at this, this could be a connection that we could  
21 make that could really help as we move forward on  
22 this very important environmental issue. So, if  
23 you could get that information to us. And if it  
24 hasn't been done, maybe we could actually set up  
25 some meetings and discuss that.

1 DR. ENGLERT: I was just told that we  
2 are doing such research with the Federal  
3 Government.

4 REPRESENTATIVE TOPPER: If we could get  
5 some information on that research, and then we can  
6 get to our members who have been kind of out in  
7 front and leading on this issue, and then they can  
8 use that as they continue to work on it.

9 DR. ENGLERT: Absolutely. Other than  
10 air, what could be more important than water?

11 REPRESENTATIVE TOPPER: Absolutely.  
12 Thank you.

13 Thank you, Chairman.

14 ACTING MAJORITY CHAIRMAN DUNBAR: Thank  
15 you, Representative.

16 With that, that concludes everything for  
17 today. I know you guys have all had a long day  
18 being in the Senate and over here, both. We  
19 appreciate you coming before us. It's been a few  
20 years.

21 So this meeting is now going to adjourn.  
22 And the Committee will reconvene tomorrow morning  
23 at 10 o'clock with the Department of Human  
24 Services. Thank you all for being here.

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