

1 HOUSE OF REPRESENTATIVES  
2 COMMONWEALTH OF PENNSYLVANIA

3 \* \* \* \*

4 Budget Hearing

5  
6 State-Related Universities

7 University of Pittsburgh  
8 Pennsylvania State University  
9 Lincoln University  
10 Temple University

11 House Appropriations Committee

12 \* \* \* \*

13  
14 Main Capitol Building  
15 Majority Caucus Room 140  
16 Harrisburg, Pennsylvania

17 Tuesday, February 25, 2014 - 2:10 p.m.

18  
19 --oOo--  
20

21  
22  
23 1300 Garrison Drive, York, PA 17404  
24 717.764.7801  
25

**Key Reporters**

[keyreporters@comcast.net](mailto:keyreporters@comcast.net)

## 1 COMMITTEE MEMBERS PRESENT:

2 Honorable William F. Adolph, Majority Chairman  
Honorable Karen Boback  
3 Honorable Jim Christiana  
Honorable Gary Day  
4 Honorable Gordon Denlinger  
Honorable Brian Ellis  
5 Honorable Garth Everett  
Honorable Glen Grell  
6 Honorable Seth M. Grove  
Honorable Adam Harris  
7 Honorable Tom Killion  
Honorable David Millard  
8 Honorable Mark Mustio  
Honorable Donna Oberlander  
9 Honorable Bernie O'Neill  
Honorable Mike Peifer  
10 Honorable Scott Petri  
Honorable Jeffrey Pyle  
11 Honorable Curtis G. Sonney  
Honorable Joseph F. Markosek, Minority Chairman  
12 Honorable Brendan Boyle  
Honorable Matthew Bradford  
13 Honorable Michelle Brownlee  
Honorable Mike Carroll  
14 Honorable Scott Conklin  
Honorable Madeleine Dean  
15 Honorable Deberah Kula  
Honorable Tim Mahoney  
16 Honorable Michael H. O'Brien  
Honorable Cherelle Parker  
17 Honorable John Sabatina  
Honorable Steven Santarsiero  
18 Honorable Jake Wheatley

19

## REPUBLICAN NON-COMMITTEE MEMBERS PRESENT:

20

Honorable Steve Barrar  
21 Honorable Sheryl Delozier  
Honorable Mark Keller  
22 Honorable Joe Hackett  
Honorable Marguerite Quinn  
23 Honorable Rick Saccone  
Honorable Kerry Benninghoff  
24 Honorable Paul Clymer  
Honorable R. Lee James  
25 Honorable Mike Turzai, Majority Leader

**Key Reporters**

1 DEMOCRATIC NON-COMMITTEE MEMBERS PRESENT:

2 Honorable Paul Costa  
3 Honorable Dom Costa  
4 Honorable Chris Sainato  
5 Honorable Tom Caltagirone  
6 Honorable Bill Kortz  
7 Honorable Bryan Barbin  
8 Honorable Greg Vitali  
9 Honorable Jaret Gibbons  
10 Honorable James Roebuck

7

8

9 STAFF MEMBERS PRESENT:

10

11 David Donley  
12 Majority Deputy Executive Director

12

13 Daniel Clark, Esquire  
14 Majority Chief Counsel

14

15 Miriam Fox  
16 Minority Executive Director

16

17

18

19

20

21

22

23

24

25

**Key Reporters**

*keyreporters@comcast.net*

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

INDEX OF TESTIFIERS

TESTIFIERS

STATE-RELATED UNIVERSITIES PAGE

Chancellor Mark Nordenberg.....	8
University of Pittsburgh	
President Rodney Erickson.....	10
Pennsylvania State University	
Dr. Neil Theobald, President.....	11
Temple University	
Dr. Robert Jennings, President.....	12
Lincoln University	

REQUEST FOR INFORMATION

Page	Line	Page	Line	Page	Line
38	13-16	46	9-11	70	12-14

1 MAJORITY CHAIRMAN ADOLPH: Good  
2 afternoon, everyone. I'd like to call to order and  
3 reconvene House Appropriations budget hearing.  
4 Today in front of us we have the state-related  
5 universities and the four fine leaders of those  
6 universities.

7 Since there's so many new folks in here  
8 that may not have heard the housekeeping rules,  
9 I'll go over them one more time. I'll go over them  
10 several times before the end of the budget  
11 hearings, but it does help. If you could turn off  
12 your cell phones, your iPhones, your iPads and all  
13 the other devices that may interfere with the  
14 television coverage, I would appreciate it.

15 I would also ask the four university  
16 leaders to move the mikes as close to you as  
17 possible. Sometimes they go in and out, not only  
18 for the folks present in the room, but also for the  
19 PCN live coverage. I would ask the members that  
20 are asking the questions, since there's four  
21 university leaders at the table, if you could  
22 please address the question to the university  
23 president or chancellor that you want to answer the  
24 question.

25 That being said, I'm going to take a

1 little privilege and make a statement before we get  
2 started because this hearing is the last time we'll  
3 have the pleasure of talking with President  
4 Erickson and Chancellor Nordenberg, as both of  
5 these gentlemen will soon be retiring. I want to  
6 thank you, President Erickson and Chancellor  
7 Nordenberg, for your leadership, for your vision  
8 and your dedication to the students of your  
9 universities.

10 Pennsylvania, as a state and the  
11 students of the Commonwealth, are better off for  
12 having both of you lead these universities. Thank  
13 you.

14 (Applause).

15 MAJORITY CHAIRMAN ADOLPH: I want to  
16 wish both of you good luck. I don't know where  
17 you'll be heading. Hopefully it's retirement for  
18 you; a little less pressure, a little bit more  
19 relaxation with your families. But you certainly  
20 did a fantastic job in educating the students of  
21 Pennsylvania.

22 That being said, I will now move it over  
23 to my good friend, the Democratic Chair Markosek.

24 MINORITY CHAIRMAN MARKOSEK: Thank you,  
25 Chairman. I want to echo the Chair's -- especially

1 for President Erickson and Chancellor Nordenberg.  
2 It reminds me, a couple decades ago when I first  
3 got to know the then not-yet chancellor, he was, I  
4 guess, Chancellor Wanna-Be might have been a good  
5 way to put it; came and actually asked me if I  
6 would write him a letter of recommendation. So,  
7 even way back then, they knew the power of a letter  
8 of recommendation from me.

9           Anyway, I'm sure he had plenty of other  
10 ones. He got the job, and here we are almost a  
11 couple of decades later. A lot of good things have  
12 happened at Pitt and Penn State since the career of  
13 these gentlemen, since they took over in the lofty  
14 positions that they have.

15           I also just want to say to the other  
16 presidents that are here, President Theobald and  
17 President Jennings, you have great folks to look at  
18 and, perhaps, see how they did it and take heed  
19 from them and learn from them and, as we move  
20 forward, to provide really great education for our  
21 students here in Pennsylvania from all four of  
22 these institutions.

23           I'd just add one other thing. One of  
24 them, before the meeting as we were chatting, said,  
25 you have all softball questions for us here today,

1 right? I said, we did all of the drilling  
2 questions, the shale-drilling questions in the last  
3 go-around earlier today. At least I don't want to  
4 predict that you're not gonna get that question,  
5 but I don't know that they'll be softballs. But  
6 I'm sure the talent here in front of us will be  
7 able to give us good answers. Thank you.

8 MAJORITY CHAIRMAN ADOLPH: Thank you,  
9 Chairman.

10 Gentlemen, first of all, welcome. If  
11 you'd like to give an opening statement to the  
12 committee, you certainly are entitled to. I know  
13 we received an awful lot of written information  
14 from you, which we have all digested. I guess  
15 Chancellor Nordenberg is the senior leader out  
16 there; if you have a brief comment that you would  
17 like to make on behalf of your budget request to  
18 the Commonwealth of Pennsylvania.

19 CHANCELLOR NORDENBERG: Let me say first  
20 that I have been attending these hearings for 19  
21 years now, and I do want to thank everyone who has  
22 participated on behalf of the House of  
23 Representatives. Each of the sessions that we've  
24 had together has been constructive, and I'm  
25 grateful for the opportunity that you've given me



1 to speak for Pitt and for higher education.

2 I would say, more personally, President  
3 Erickson and I arrived at Penn State and at Pitt in  
4 the same year, 37 years ago, so I don't think  
5 either of us is going to go very far. You'll  
6 probably be able to find him in State College and  
7 me in Pittsburgh involved in some kind of  
8 university-related activities or another.

9 I should also say that, as constructive  
10 as our discussions have been, we've been through  
11 some tough times together, and in the last several  
12 years, Mr. Chairman, have been particularly  
13 challenging. I think we're all grateful for the  
14 support that we have received from the House.  
15 We're all hoping that maybe for our successors and  
16 in the professional lifetimes of our two colleagues  
17 to my left, we're about to turn a corner in terms  
18 of funding support for higher education.

19 There is a report that was issued last  
20 month that has said now that the economy is picking  
21 up. Basically, most states are reinvesting in  
22 higher education. Last year, I believe there were  
23 only 10 states that did not increase their  
24 appropriations for higher education. We had some  
25 challenges here. We were not one of them, but we

1 do hope that we're reaching the point that there  
2 can be more investments in our institutions, in our  
3 students and in the future of Pennsylvania, because  
4 we do think we play a big part in building strength  
5 within the Commonwealth. And I do thank you all  
6 again.

7                   PRESIDENT ERICKSON: I join Chancellor  
8 Nordenberg in thanking you for the support that  
9 you've provided over the years, for the courtesies  
10 that you've extended as I and my colleagues have  
11 met with you on behalf of the state-related  
12 universities. I wouldn't be doing my job if I  
13 didn't push for higher education and the  
14 state-related universities and Penn State.

15                   We are, of course, the Commonwealth's  
16 land-grant university with a special relationship  
17 that has endured for more than a century and a  
18 half. We struggle increasingly to fulfill that  
19 mission with limited funding, limited public  
20 funding from the Commonwealth, while serving 98,000  
21 students.

22                   We hope that the Commonwealth will be  
23 able to, as Chancellor Nordenberg said, turn the  
24 corner. Both of us served on the Governor's  
25 Advisory Commission on Postsecondary Education a

1 year ago. I believe that commission document, that  
2 report, provided an excellent road map to move  
3 Pennsylvania back on the track where we're  
4 adequately supporting public higher education and  
5 our students, and all the other things that emerge  
6 from our universities: The research, the  
7 contributions, the economic development and,  
8 generally, the betterment of the Commonwealth of  
9 Pennsylvania.

10 Again, thank you very much for your  
11 support. Hopefully, in 20 years, we'll look back  
12 and see a great deal of progress that's been made  
13 in the Commonwealth. Thank you.

14 DR. THEOBALD: This session is likely to  
15 be my final opportunity to share a public platform  
16 with two of the finest leaders in American higher  
17 education, Chancellor Mark Nordenberg and President  
18 Rod Erickson.

19 Much is written about the competition  
20 that occurs among Pennsylvania's public  
21 universities on the playing field and court. Such  
22 competition ends, though, at the sideline. Mark  
23 and Rod could not have been more welcoming to me as  
24 the new kid on the block in the state last year.  
25 And I don't believe any conversation that I've had

1 with them in the last 14 months has not included  
2 their offer to help me in any way they possibly  
3 can.

4 I want to congratulate both of them on  
5 their fabulous careers, and I look forward to  
6 working with President Barron and Doctor Gallagher  
7 to build on the extraordinary contributions that  
8 have been made to the wonderful Commonwealth by  
9 these two outstanding presidents. Thank you.

10 DR. JENNINGS: Good afternoon. I, too,  
11 join my colleague in congratulating both of these  
12 gentlemen. I'm a little bit envious of them  
13 because they are doing what I would like to do.  
14 They're going off and probably drink mint juleps by  
15 the pool every chance they get, and I won't be able  
16 to do that.

17 I want to express my thanks to both of  
18 them, because I arrived on the scene 27 months ago  
19 as the 13th president of Lincoln, and both of them  
20 extended to me courtesies and made me feel very  
21 much welcome and indicated they would be more than  
22 willing to help. I had the opportunity of serving  
23 on the Governor's Postsecondary Commission with  
24 both of these gentlemen and got to know them much  
25 better than I did prior to that experience. So I'm

1 going to miss them, but the good thing is that  
2 they're going to be in the Commonwealth, and I'm  
3 going to be calling them for their support.

4 MAJORITY CHAIRMAN ADOLPH: Thank you,  
5 gentlemen. First of all, the greatest asset that  
6 Pennsylvania has is the diversity of our state, and  
7 your universities certainly represent that here  
8 today.

9 With us in the room, number 1, I'd like  
10 to recognize the House Majority Leader, Mike  
11 Turzai, from Allegheny County, is present. Thank  
12 you for joining us. Also with us is the Chairman  
13 of the House Education Committee, Representative  
14 Paul Clymer from Bucks County.

15 Now, since I live in the Philadelphia  
16 area, you put on the news the last couple days, and  
17 if you're a sports fan, it's hard not to feel for  
18 the kids that were notified that their sport at  
19 Temple University was being dropped, for the sake  
20 of a word.

21 I know Temple University, being an urban  
22 city university, has tried as hard as they can to  
23 keep the tuition and expenses down at that  
24 university to make it as affordable as possible.  
25 When I first met the new president, he also

1 mentioned to me that he's also worried about the  
2 graduates and making sure that their education is  
3 lining up with their career paths, and that really  
4 meant a lot to me.

5 I know there's been some recent changes  
6 regarding a couple of the programs. I woke up to  
7 ComcastSportsNet this morning and heard about the  
8 rowing programs. I think it's important because --  
9 And I'm the father of former college athletes, some  
10 big schools, and I know the sacrifices that these  
11 athletes make; the difficulties they make in  
12 choosing their universities, and how painful it is  
13 when their sport is dropped and they have to make  
14 the decision, do they stay with Temple or do they  
15 transfer, or where do they go.

16 So, if you don't mind --

17 DR. THEOBALD: Sure.

18 MAJORITY CHAIRMAN ADOLPH: -- President  
19 Theobald, would you please expand a little bit  
20 about this tough decision that had to be made by  
21 the board and yourself?

22 DR. THEOBALD: There has not been a more  
23 gut-wrenching day, certainly in my 14 months at  
24 Temple University and unlikely in my 30 years in  
25 higher education, than telling the 70 student

1 athletes we were eliminating their sport.

2 Situation was that our undergraduate  
3 student body is about 50/50; half men, half women.  
4 When I arrived in January of last year, I  
5 discovered our athletic scholarships were being  
6 allocated 40 percent to women and 60 percent to  
7 men. That's not allowed legally, but it's also not  
8 fair. So we've spent a year looking. The options  
9 were to add more women's sports.

10 We're already the only mid-major  
11 athletic program in America that has even 20  
12 sports; we have 24 sports. The one women's sport  
13 we do not have would be women's swimming and  
14 diving. We don't have a diving area, so we'd have  
15 to build a diving platform, hire a coach. The cost  
16 would be a couple million dollars a year. Given  
17 our revenue sources, that would have to come from  
18 tuition.

19 In discussions with the board chairman,  
20 we decided that we would not increase tuition to  
21 cover this, so we would direct the athletic  
22 director that, within his existing budget, he would  
23 need to reallocate scholarships from male sports to  
24 female sports; and, therefore, we eliminated  
25 baseball, men's gymnastics, men's indoor track and

1 women's indoor track, and we're reallocating those  
2 scholarships to women's field hockey, women's  
3 lacrosse and, now, women's rowing.

4           The reason we were able to bring back  
5 rowing was, five years ago the boathouse that we  
6 were using was condemned. They've been boating out  
7 of Quonset hut tents and using porta potties as  
8 their locker room. I find that unacceptable for  
9 our student athletes to be in that type of  
10 facility. One of our trustees, Gerry Lenfest,  
11 stepped forward, along with the city, and has  
12 donated the funds to remodel the boathouse and,  
13 therefore, we're able to win/win. We're bringing  
14 back a historic boathouse that's a hundred years  
15 old, and we're bringing back the rowing program to  
16 Temple.

17           It was delightful yesterday to inform  
18 the rowing athletes that they were coming back, but  
19 again, it was heart-wrenching to tell those others  
20 that this has been their life since they were  
21 little children. I was a college athlete myself.  
22 It was extremely difficult, but it is the correct  
23 decision in the final regard.

24           MAJORITY CHAIRMAN ADOLPH: Thank you,  
25 and I appreciate that, sharing that with the



1 committee. It's actually a budgetary decision on  
2 your part and a very difficult one, to say the  
3 least. I, for one, believe part of the college  
4 life is the extracurricular activities. Whether it  
5 be a band or whether it be the arts or whether it  
6 be the athletics, I think it's all part of the  
7 education of higher education. I wish those  
8 students well. I know it's a very difficult  
9 decision. I hope they all proceed the best way  
10 they can.

11 DR. THEOBALD: One thing I would add, we  
12 are keeping all their scholarships for the  
13 remainder of their time at the university. We're  
14 going to keep all of their academics. We are  
15 offering outplacement to any of them that want to  
16 transfer. We're doing everything we can to smooth  
17 what is a very difficult decision for them to  
18 accept.

19 MAJORITY CHAIRMAN ADOLPH: Thank you.  
20 Chairman Markosek.

21 MINORITY CHAIRMAN MARKOSEK: Thank you,  
22 Chairman. I don't really have any specific  
23 questions. I would just ask the Chair, when it's  
24 the appropriate time, to recognize Representative  
25 Parker, who will be our first when it's time.

1 Thanks.

2 MAJORITY CHAIRMAN ADOLPH: Thank you.

3 As is the custom of Chairman Markosek  
4 and I, we always invite the chairman of the  
5 standing committee. In this case it will be  
6 Chairman Clymer of the House Education Committee.  
7 He'll be invited to ask the first question.  
8 Chairman Clymer.

9 REPRESENTATIVE CLYMER: Thank you, Mr.  
10 Chairman. Welcome, all. It's good to see you  
11 gentlemen here this afternoon.

12 Just a bright note, and I think I have  
13 it right for Penn State University, you had your  
14 marathon dance; did you not?

15 PRESIDENT ERICKSON: We did.

16 REPRESENTATIVE CLYMER: 46 hours and you  
17 raised \$13.3 million. Do you want to make a  
18 comment?

19 PRESIDENT ERICKSON: Thank you very much  
20 for recognizing that achievement.

21 Our students are just absolutely  
22 magnificent. There are 15,000 Penn State students  
23 who are involved in Dance Marathon. It's a 48-hour  
24 dance marathon, but there's actually a full year of  
25 preparation that goes in for every dance marathon.

1           Our students have just done an awesome  
2 job. The support for the Four Diamonds Fund at  
3 Hershey Medical Center now totals about \$115  
4 million; absolutely remarkable. Thank you.

5           REPRESENTATIVE CLYMER: That was just  
6 more of an observation. I have two questions that  
7 are coming.

8           One of the things that concern all of us  
9 is that drug and alcohol and prescription drug  
10 abuse can be very devastating to the students not  
11 only at our four major universities but to colleges  
12 and universities across Pennsylvania, across the  
13 United States. This is a concern to all of us.

14           Are there any specific strategies that  
15 are being used to try to warn students? I know  
16 this is not your responsibility per se, but I know  
17 you're interested in it because you're interested  
18 in the students who attend your schools. So this  
19 is something that has to be addressed. How do you  
20 deal with this issue of letting students know that  
21 these abuses are harmful and can be very  
22 devastating?

23           PRESIDENT ERICKSON: It's a major  
24 challenge, because we know that so many students  
25 who do not achieve, who do not continue on in the

1 university, alcohol or other kinds of substance  
2 issues are often related to that.

3 For many years we've been engaged in a  
4 lot of different kinds of programs. The  
5 responsibility is really educational; to try to  
6 continue educating students. And, obviously, we  
7 have thousands of new students who come in every  
8 year, between fifteen and 16,000 students; to  
9 educate them about alcohol and other substance  
10 abuse and the negative effects that that could very  
11 well have on their educational career. But, it's a  
12 continuing challenge.

13 Many students come to universities like  
14 ours already well-experienced in the use of alcohol  
15 or other substances. We just have to continually  
16 work hard to educate and to, I would say, take  
17 appropriate disciplinary action when that's  
18 required as well.

19 CHANCELLOR NORDENBERG: This has been  
20 both a personal and an institutional priority. I  
21 do stand in front of those 4,000 new freshmen every  
22 year. One of the first things I say to them is,  
23 don't ruin your opportunities; don't abuse your  
24 newfound freedom by running afoul of the abuse of  
25 alcohol and of drugs.

1           It really is something that affects  
2 health in so many different ways, so we have  
3 proactive educational programs. We intervene to  
4 the extent that we can. I'm sure all of us have  
5 invested dollars in counseling and health services  
6 that are related to this area that would not have  
7 been a part of a budget 20 years ago but are very  
8 important today.

9           DR. JENNINGS: At Lincoln University, we  
10 take it very seriously. When I arrived 27 months  
11 ago, I declared the campus a dry campus. It was  
12 not that prior to my arrival. But I specifically  
13 did that, having been a president of another  
14 institution, and saw what alcohol and drugs will do  
15 to young people. They think they can control  
16 themselves, but they can't.

17           Of course, students did not like it.  
18 They talked about protesting. They called me for  
19 all kinds of debates and wanted me to reconsider,  
20 but I did not, and I explained to them why I would  
21 not. I can tell you that the incidents of drug-  
22 and alcohol-related incidents on our campus have  
23 been reduced by more than a hundred percent, and we  
24 are real pleased with that.

25           We're also pleased that we have two

1 grants that we recently acquired; one from the  
2 Pennsylvania alcohol control board and one from the  
3 U.S. Justice Department that are prevalent on our  
4 campus just as we speak. Both of these are  
5 designed to help us to engage young people, not  
6 just on a one-time basis, but monthly to talk about  
7 the issues of alcohol and substance abuse. We  
8 believe that this is something that you have to  
9 keep putting before them to keep it down.

10 DR. THEOBALD: Yeah, very similar at  
11 Temple. We look at it as a health issue and as a  
12 discipline issue. Starting with orientation, we  
13 want to make sure students are aware of what the  
14 impact of this behavior is, not only on them as a  
15 person, but on them in their status as a student at  
16 Temple University, which we follow up through the  
17 health center. Then if they come in contact with  
18 either the Philadelphia police or with our campus  
19 police, we are quite clear of what the consequences  
20 are of that behavior.

21 REPRESENTATIVE CLYMER: Thank you very  
22 much. Mr. Chairman, just one brief question, and  
23 that's on foreign students.

24 Because of the great academics of the  
25 universities, you receive many foreign students

1 that come in each year. What are the reasons that  
2 they come in? Is there a particular engineering or  
3 medical research that drives them into our  
4 outstanding universities? I was curious about  
5 that, and I never knew why. Maybe a brief answer  
6 from each one would be appropriate.

7 CHANCELLOR NORDENBERG: Well, from  
8 institution to institution, there may be programs  
9 that are magnets. So, we do have strong programs  
10 in medicine and engineering that attract  
11 international students.

12 But I think, more broadly, the American  
13 research universities in particular continue to be  
14 recognized as the finest in the world. An  
15 education from one of our institutions really is a  
16 first step towards success as they return to their  
17 home countries.

18 PRESIDENT ERICKSON: We have about 6,000  
19 international students among our 85,000 students  
20 who are on campus. They come for a lot of  
21 different reasons. But I would agree with Mark  
22 that they're really looking for high-quality  
23 education and an opportunity to succeed on the  
24 basis of that education.

25 What I've seen over the years is that,

1 some years ago, international students tended to  
2 be -- first of all, more of them tended to be  
3 graduate students. But about five, six years ago,  
4 we saw a flip, where now, more of our international  
5 students are actually undergraduates.

6           Years ago, they used to come for a  
7 relatively targeted set of programs. Now it is  
8 much more broadly-based. We find international  
9 students that are not only in traditional areas  
10 like business and engineering and science, but in  
11 areas such as communications and the liberal arts.  
12 It much more broadly-based now.

13           DR. THEOBALD: I would agree with  
14 everything that's been said by the first two. I  
15 would add something to it.

16           We have a campus in Tokyo. Temple is  
17 the only American university with a campus in the  
18 country of Japan. And I visited several  
19 universities in China last summer when I went over  
20 to do the commencement at Temple University of  
21 Japan. When we look at the money the Chinese  
22 government is investing in higher education, this  
23 lead that both of them talk about is in danger.

24           I visited a university in Macau, which,  
25 the only university I've ever seen that was that



1 grand is Stanford, and this is a public university  
2 in southern China. So, flat funding for higher  
3 education, we have a lot of other things that we  
4 need to be using money on. Our competitors abroad  
5 are investing vast sums of money in higher  
6 education, and we really need to be alert to that,  
7 that they don't pass us in this area.

8 DR. JENNINGS: We build ourselves at  
9 Lincoln as a global institution. We believe that  
10 we have a responsibility to produce a student who  
11 can operate both in this country, as well as  
12 outside of this country, because that's the kind of  
13 world that we're living in.

14 We have students from 17 foreign  
15 countries on our campus today. We send students to  
16 eight foreign countries to study abroad. We teach  
17 five different languages on the campus, including  
18 Arabic, Japanese, Chinese, French and Spanish, and  
19 students are enrolled in all of those programs.  
20 Again, that goes in line with our mission of being  
21 a global institution; trying to produce that  
22 student who can operate anyplace in the world.

23 REPRESENTATIVE CLYMER: Thank you, Mr.  
24 Chairman.

25 MAJORITY CHAIRMAN ADOLPH: Thank you.

1           At this time I'd like to acknowledge the  
2 presence of the Democratic Chair of the House  
3 Education Committee, Representative Jim Roebuck.  
4 Thank you for being here.

5           The next question will be asked by  
6 Representative Cherelle Parker.

7           REPRESENTATIVE PARKER: Thank you, Mr.  
8 Chair, and good afternoon, gentlemen. It's great  
9 to see each of you again.

10           Last night, prior to going to bed, I  
11 turned on the computer to look at a last minute of  
12 news. What I found was extremely troubling, but it  
13 was not surprising, and that was the Inquirer  
14 article based on the Pew report, which documented  
15 the sort of rapid decline of the coveted middle  
16 class in Philadelphia and the increase in what the  
17 report deemed as the lower-class Philadelphians.

18           Right after that I turned to a speech  
19 that I keep near my computer desk that was actually  
20 given six years ago, 2008. That was the beginning  
21 of our economic recession. It was given by the  
22 then chair of the Greater Philadelphia Chamber of  
23 Commerce, David L. Cohen.

24           During this speech, Mr. Cohen notes that  
25 Philadelphia remains, as coined by Charles Dickens,

1 a tale of two cities; one that's populated by the  
2 haves and the other populated by the have-nots. He  
3 recommends that, if we wanted to see this  
4 phenomenon change, we should, 1, recognize that it  
5 wasn't isolated in Philadelphia. Philadelphia  
6 wasn't an isolated case. And that, if we wanted to  
7 address the issue, we had to tackle education,  
8 because the business community deemed it necessary  
9 to get skilled workers.

10 Our students and young people having the  
11 ability to compete in a global economy that you  
12 just referenced, along with the economic viability  
13 of neighborhoods across the Commonwealth and  
14 Philadelphia depended on it. It's with that in  
15 mind that I'm going to direct questions  
16 specifically, because I want to maximize my time as  
17 much as I possibly can.

18 And the first thing I want to do, with  
19 that premise in mind, I want to ask you, Doctor  
20 Jennings, to respond to what I've considered to be  
21 a federal fiasco, and that is the issue of the  
22 Parents PLUS loan, and the impact that it has had  
23 on the declining student body at the Lincoln  
24 University.

25 Immediately after that, Doctor Theobald,

1 I would like for you to respond to what we learned,  
2 again, from the Independent Fiscal Office. This is  
3 the second year I've asked the question and nothing  
4 in the answer has changed, and that is that  
5 Pennsylvania has ranked second in the nation in the  
6 amount of student debt that our students in the  
7 Commonwealth of Pennsylvania actually carry. Talk  
8 about what Temple is doing with the Fly in 4  
9 program. Talk about work; talk about what it means  
10 and the process that is being used and what  
11 population this is geared to and why.

12 Doctor Jennings, if you could respond  
13 first.

14 DR. JENNINGS: You may be aware of the  
15 fact that, last February, the federal government  
16 changed the requirements of the Parent PLUS Loan,  
17 which has been a loan that most students, certainly  
18 minority students or underprivileged students, for  
19 a great deal of time, have used to help finance  
20 their college education. The parent could go into  
21 a lending institution and sign his or her name and  
22 get a part of the money that they needed to help  
23 finance the child's education.

24 Well, the federal government decided in  
25 February that, if there was any indentation of a

1 negative sort on your credit report, even if it was  
2 a bill that you had paid 30 days late, that you  
3 will automatically be denied the loan. This was  
4 devastating for the Lincoln University because, we  
5 had 1,159 students whose parents applied for the  
6 loan, and we had 849 who were denied the loan.  
7 That's about 71 percent; meaning that, they would  
8 have to find another means by which to come up with  
9 the funds to help finance their child's education.  
10 As a result, we took a decline in enrollment  
11 because students have to pay in order to stay.

12 We had some 414 students who, at the  
13 last minute, could not come up with the funds. So,  
14 we started scuffling and calling around and doing  
15 everything we possibly could. We went down that  
16 list and tried to help as many of them as we  
17 possibly could. And as a result, we were able to  
18 help all of them with the exception of about 200.  
19 And so, those 200 students had to dis-enroll. They  
20 could not be enrolled.

21 So, that one particular program that  
22 many of our students, in particular, have depended  
23 upon, it was devastating because they had no means  
24 by which to get those funds. And certainly, from  
25 February to August, that may sound like a long

1 period of time, but when 64 percent of your  
2 students are the first in their families to go to  
3 college and about 61 percent come from  
4 single-parent, mostly female head of households,  
5 they don't really have a lot of infrastructure back  
6 home to be able to call and pull together that kind  
7 of money at the last minute. So, the Parent PLUS  
8 Loan and the changes in that program really  
9 devastated many schools, certainly Lincoln in  
10 particular, and it impacted our enrollment.

11 DR. THEOBALD: Representative Parker,  
12 thank you for raising the issue of student debt.  
13 It is the most important problem we face in higher  
14 education. We have got to find a way to not burden  
15 this next generation with such extraordinary levels  
16 of debt.

17 The primary determinant at Temple  
18 University of your debt level is your time to  
19 degree; how long it takes you to get to degree. If  
20 you look at our students that graduate, about 43  
21 percent of our students graduate in four years.  
22 They have the lowest debt level of any university  
23 in Philadelphia, and most of the other  
24 universities -- in fact, all of the other  
25 universities in Philadelphia are private. Most of

1 those students, they graduate in four years.

2 But if you look at Penn's debt level,  
3 it's higher than what Temple's is for those  
4 students who graduate in four years. So, we have  
5 got to find a way to get students to shorten that  
6 time to degree.

7 As I talk with students across campus as  
8 to why they weren't going full time; why were they  
9 not on track to graduate in four years, I got the  
10 same answer repeatedly, I have to work. Given the  
11 cost of higher education, I cannot afford to attend  
12 even a public university like Temple without  
13 working 30, 35 hours a week. I worked when I was  
14 in college, but I worked about 10 hours a week.

15 The ability of a student to work a  
16 substantial amount of time off campus, the  
17 commuting time with that, and go to school full  
18 time and graduate in four years is nearly  
19 impossible. So, we came up with the idea that, if  
20 students would commit to off-campus employment of  
21 no more than 10 hours a week, and they would commit  
22 to staying on track to graduate. They only get the  
23 Fly in 4 scholarship if they stay on track to  
24 graduate within four years.

25 So, each spring we'll check to make sure

1 they're on track that we would provide them a  
2 scholarship that's the equivalent of the number of  
3 hours our average student works times \$10.00. So  
4 we'll pay them \$10 an hour to refocus their  
5 attention from going off campus to work at  
6 McDonald's or at Bed, Bath and Beyond, or wherever  
7 it is they work; take that time, focus on your  
8 academic work, get out in four years. That way you  
9 graduate with the least amount of debt, and it also  
10 gets you out into the higher-paying, college-  
11 educated job market quicker.

12 As far as who's eligible for it, we're  
13 going to start with the neediest students first.  
14 Clearly, those are the students that have the  
15 greatest amount to work. We do 500 a year in each  
16 class, so we'll have 2,000 students in four years  
17 that we will be subsidizing their education in  
18 return for them agreeing to not work more than we  
19 believe is appropriate and researched--not just we  
20 believe, but research will show is appropriate--and  
21 stay on track to graduate in four years.

22 REPRESENTATIVE PARKER: Thank you.  
23 Finally, let me just ask. And, Doctor Jennings, I  
24 think I heard you make reference to the other two  
25 presidents. Doctor Theobald, I don't know if you



1 were here during that time when the Governor's  
2 Commission on Postsecondary Education was created.

3 Obviously, higher education, the  
4 state-relateds being proposed flat funding,  
5 obviously, I and many others would like to see that  
6 change. Tell me, if you will--I think three of you  
7 were members of the Governor's Commission--did you  
8 expect higher education or state-relateds to be  
9 flat-funded this year, or did you anticipate or  
10 expect, based on that Commission's findings, that  
11 there would be an additional investment in higher  
12 ed this year?

13 DR. JENNINGS: My understanding is that  
14 this would be the year that we would see an  
15 increase in our funding; that we would start trying  
16 to get back on the right track to support higher  
17 education. That was what the commission's report  
18 came forward with. That is what we agreed to.

19 REPRESENTATIVE PARKER: Any other  
20 comments?

21 CHANCELLOR NORDENBERG: I think it's  
22 quite clear that the commission's report indicated  
23 that we were at what they felt should be rock  
24 bottom and that the current levels of funding were  
25 creating great pressures, both in terms of the

1     affordability of higher education for students and  
2     their families, which ties into the debt load that  
3     you just highlighted, and also created real  
4     challenges for institutions to continue delivering  
5     the levels of quality that students and their  
6     supporting family members have the right to expect;  
7     and that this would be the year where we would see  
8     a move up in the direction of higher levels of  
9     funding.

10                 REPRESENTATIVE PARKER: Thank you all  
11     for your response. Let me thank you for what you  
12     do. It is my hope that we will work in a  
13     bipartisan manner within this chamber in the House  
14     to do our best to see an increase in the funding  
15     for higher ed, with our state-relateds included.

16                 I think, Doctor Jennings, what you just  
17     described and how Lincoln students who work with a  
18     very unique constituency that's not served at the  
19     level in which Lincoln works with those students  
20     that have been sort of the foundation of the  
21     student body that's carried Lincoln's tradition for  
22     so many years.

23                 Doctor Theobald, what you've done with  
24     Temple's new innovative program to encourage  
25     students to get finished in four will help us in

1 efforts to ensure that whether or not you're born  
2 in a wealthy family should not dictate whether or  
3 not you have access to a quality education; whether  
4 or not your parent is fortunate enough to pull out  
5 his or her checkbook and said, tuition has  
6 increased, let me write the check; it's no problem;  
7 versus the student, Doctor Jennings, who's actually  
8 saying, my parents don't have perfect credit; that  
9 they paid their bill 90 days late, so now they're  
10 ineligible for Parents PLUS.

11 So, please keep advocating and keep  
12 working with the students that you're serving, and  
13 make higher education as affordable as possible.

14 PRESIDENT THEOBALD: Thank you.

15 MAJORITY CHAIRMAN ADOLPH:  
16 Representative Seth Grove.

17 REPRESENTATIVE GROVE: Thank you, Mr.  
18 Chairman. Gentlemen, great to see you this  
19 afternoon.

20 I want to drive and discuss kind of  
21 remediation courses that your universities need to  
22 provide students. Do you have any data showing how  
23 many students, specifically coming from  
24 Pennsylvania schools, have to go into remediation  
25 courses prior to going into what their primary

1 focus of study would be?

2 CHANCELLOR NORDENBERG: At Pitt, we have  
3 very little of that. That does not mean there are  
4 not students coming out of high school who need  
5 remediation, but they are not the students who are  
6 enrolling at the University of Pittsburgh.

7 REPRESENTATIVE GROVE: Okay.

8 PRESIDENT ERICKSON: It varies across  
9 our campuses. At University Park, there's almost  
10 no remedial work at all. At some campuses we have  
11 some remedial math and some remedial English, but  
12 that has declined significantly over the years as  
13 well. And we're also working very hard with  
14 preplacement kinds of activities to make sure that  
15 students who are able to surpass the remedial work  
16 are encouraged to do so.

17 REPRESENTATIVE GROVE: Great.

18 DR. THEOBALD: Yeah, we have minimal  
19 remedial work. We really work very hard to tie our  
20 curriculum to the high schools in the local areas.  
21 So if you're a graduate of a local high school and  
22 you're able to get admitted to Temple University,  
23 for the most part, you will not have any  
24 remediation work you need to do; same thing with  
25 students coming in from the Community College of

1 Philadelphia.

2 To the extent students do need remedial  
3 work, we generally encourage them to go to the  
4 Community College of Philadelphia. It's much less  
5 expensive than it is to come to Temple University.  
6 So if you're going to take a course that isn't  
7 going to count towards your degree, you're much  
8 better to do that at the community college rather  
9 than coming into Temple and doing it.

10 DR. JENNINGS: There was a time in our  
11 history that we had a large core of students who  
12 needed remediation. But in 2009-10 school year,  
13 the board insisted that we increase the academic  
14 standing for students coming into the institution,  
15 and so, now we bring in a higher caliber of  
16 student. We still have a few students who have to  
17 take remedial math and reading, but that number is  
18 very low.

19 We do have something exciting going on  
20 on the campus this year. This year we started a  
21 relationship with Delaware County Community  
22 College. So, the students are jointly enrolled.  
23 They live on the Lincoln University campus. The  
24 Delaware County Community College faculty comes to  
25 our campus, teaches them their core courses in

1 English and math. And as soon as they meet the  
2 Lincoln University standards, they become a  
3 full-fledged Lincoln University student. It's  
4 called a two-plus-two program.

5 So, we are trying to encourage community  
6 college students to understand that you're going to  
7 really need a bachelor's degree, you're probably  
8 going to need a master's degree. But you really  
9 need to be focused on trying to get a bachelor's  
10 degree so you don't kind of get stuck. You can  
11 continue to move up, even whatever discipline you  
12 choose even at the two-year level.

13 REPRESENTATIVE GROVE: I appreciate  
14 that. If you could provide any data going back to  
15 maybe 1990 up to current date on remediation rates  
16 for universities. I'm a big proponent that, the  
17 better job we do K through 12 preparing students  
18 for the next step, less remedial costs being  
19 incurred by the universities and, obviously,  
20 driving down student debt. If they're taking  
21 courses that don't count towards their major,  
22 they're not incurring that debt at the next level.

23 So, thank you, gentlemen. I appreciate  
24 it, and some great news. Thank you.

25 MAJORITY CHAIRMAN ADOLPH: Thank you,

1 Representative. Representative Jake Wheatley.

2 REPRESENTATIVE WHEATLEY: Thank you, Mr.  
3 Chairman. Good afternoon, gentlemen.

4 I wanted to start off with a question  
5 that I asked the state system when they were before  
6 me. From your opinion, and one or two of you can  
7 answer this; not necessary all of you have to.

8 We have a funding system that, in my  
9 opinion, is not rational and not based on anything.  
10 In your opinion, do you think our current funding  
11 system is adequate, and does it have a rational  
12 basis by which you, as state-relateds, can  
13 understand how you receive funds and for what we  
14 are asking you for the value of those funds?

15 Since, Chancellor Nordenberg, you are  
16 going out, I will direct it to you so you can be  
17 the most honest. Not that the rest won't be.

18 (Laughter).

19 In your 19 years, can you kind of give  
20 me a suggestion around our funding system for  
21 higher education?

22 CHANCELLOR NORDENBERG: Well, I would  
23 say that the system, principally, is a product of  
24 history as far as I can tell, and a history that  
25 extended back beyond even my 19 years. So, each

1 year we're building, or attempting to build or  
2 attempting to protect, a base that most of us  
3 didn't have a particular role in creating.

4 So, it's a system that has worked  
5 reasonably well over the course of some periods of  
6 time, but I don't think it is a system that has the  
7 kind of rationale framework of inputs and  
8 expectations that you were describing.

9 REPRESENTATIVE WHEATLEY: So, as you  
10 talked about possibly moving on to staying involved  
11 in educational issues, have you thought about a way  
12 for us to be more rational?

13 If we are just looking at the state-  
14 relateds, one, can you say all state-relateds are  
15 created equal; meaning, you all should receive the  
16 same finances the same way; or, our structure of  
17 system of how we fund--we have state-relateds; we  
18 have a state system; we have community colleges; we  
19 have privates that get money through us--do you  
20 have a suggestion how we can become more rational?

21 CHANCELLOR NORDENBERG: Of course, at  
22 Pitt, we'd like to be more equal with Penn State  
23 when it comes to funding.

24 But, this is what I would say first. If  
25 you look at the overall system of higher education



1 in Pennsylvania, if there is one part of it that  
2 really does make sense, it is the state-relateds,  
3 and that, too, may be just a product of history.

4 But when you look at the four  
5 institutions at this table, Lincoln has a historic  
6 and very special mission. Temple is in the  
7 southeast. Penn State is in the middle of the  
8 Commonwealth. Pitt is in the southwest, and we  
9 actually are quite distinctive in our academic  
10 strengths. So, you don't see a lot of  
11 duplication. You don't see a lot of wasteful  
12 competition.

13 I think when you look at our successes,  
14 whether measured in the marketplace of attracting  
15 students or whether you look at our successes on  
16 the national stage in attracting research support,  
17 this is a part of the system that works.

18 My hope always had been that there would  
19 be some reason, attempt, to invest in quality and  
20 to invest in returns. I think if we were given the  
21 opportunity to make that kind of case, we could  
22 make a very compelling case that we are a very  
23 worthwhile investment for the Commonwealth and its  
24 people.

25 PRESIDENT ERICKSON: I have to take the

1 opportunity to say, Chancellor Nordenberg looks at  
2 our entire appropriation, and I look at his  
3 per-student appropriation, and I see that our --

4 CHANCELLOR NORDENBERG: Oh, now, let's  
5 not get competitive on them here.

6 (Laughter).

7 PRESIDENT ERICKSON: No. We collaborate  
8 a great deal, and we understand -- Our per-student  
9 appropriation at \$2,600 per FT student is just  
10 about at the lowest and may be the lowest of any  
11 institution in the country.

12 But we understand that Lincoln  
13 University has a special mission. We understand  
14 that the research universities of the Commonwealth,  
15 of which we are a very important part of that core;  
16 we are the public part of that core, have special  
17 needs as well. We're not only educating a lot of  
18 students, but we're driving the economic engine in  
19 many ways of the Commonwealth with -- Really, right  
20 here at the table, we probably have something in  
21 the neighborhood of -- well, it's in excess of  
22 \$2 billion of research activity every year right  
23 here that's driving a lot of that.

24 We need help with facilities; we need  
25 help with the operating budget if we're going to

1 continue to be among the very best universities in  
2 the country and truly global universities and  
3 playing in that particular field.

4 DR. JENNINGS: I just want the record to  
5 show that we, at Lincoln University, would be  
6 willing to accept just 50 percent of what these two  
7 get. That would certainly help us.

8 I would have to say that I've been in  
9 the state now for 27 months, and I have not been  
10 able to discern what the formula is or how the  
11 allocations are being made, and the rhyme or reason  
12 that's used in terms of allocating dollars to our  
13 institutions. I've been asking that question, I  
14 think, since I've been here. What is the formula,  
15 or how do we derive at the numbers? It would help  
16 me to be able to explain, even to my own  
17 constituents, how that's done.

18 I do think there needs to be some more  
19 thought given to this; that it does need to be a  
20 more rational process. I would have to go on  
21 record of saying, no, it is by no means adequate.

22 REPRESENTATIVE WHEATLEY: I'm going to  
23 ask one more question for you to respond to. Then  
24 I'm going to ask the second question that you don't  
25 have to respond to now, but you can respond in

1 writing if the Chairman would allow me to do that  
2 that way.

3           Recently, I was shown by the staff of  
4 the House Democratic Appropriation a map of our  
5 community colleges and where some of our state-  
6 relateds are. It looks very packed and full of  
7 names of institutions. When we overlay where the  
8 state-relateds are and some of your satellite  
9 campuses, and then we put other institutions of  
10 higher learning on the map, it seems as if we have  
11 a very scatter-type of approach for how we do  
12 higher education in this Commonwealth.

13           So, one question I have is, how do you  
14 make determinations when you expand -- And I know  
15 we never want to get rid of things. But when  
16 you've expanded your colleges to these satellite  
17 institutions, do you look at what else is provided  
18 in that region; if the need is there for what you  
19 are giving? How do you make those decisions and  
20 determinations?

21           CHANCELLOR NORDENBERG: Well, at Pitt,  
22 those decisions were last made in 1963. That was  
23 the last time we added any campuses outside of  
24 Pittsburgh, and we only have four. At that point,  
25 it was felt that there were unmet needs in the

1 three communities in which those campuses were  
2 located.

3 But if I can respond very briefly to the  
4 broader question that you have raised, I do think  
5 that's where there is overlap; that is, when you  
6 get away from our principal campuses, and there  
7 probably is some sorting out that needs to be done  
8 over time.

9 REPRESENTATIVE WHEATLEY: Sure.

10 PRESIDENT ERICKSON: Again, our  
11 Commonwealth campuses are a product of history. We  
12 haven't established a new campus that I'm aware of  
13 since about 1965. But these campuses, some of them  
14 have been in existence for a hundred years.  
15 They're a very important part of the fabric of the  
16 community. They provide a means of access to a  
17 high-quality education, either a four-year degree  
18 at a campus or to move to University Park or one of  
19 the other campuses to complete; in the case of  
20 University Park, more than 200 degrees to choose  
21 from.

22 I should also say that they provide a  
23 very important role in terms of access. The  
24 students who attend our Commonwealth campuses have  
25 a median family income in the high 50,000's, just

1 under the median income of the Commonwealth of  
2 Pennsylvania. Very high proportion of first-  
3 generation students, about 70 percent of those  
4 students, on average, work at least 22 hours a  
5 week. They're very much a part of the fabric of  
6 those communities, and we're very supportive of the  
7 role that they play in the Commonwealth.

8 REPRESENTATIVE WHEATLEY: Sure.

9 Again, you don't have to respond to  
10 these questions. You can definitely send it in  
11 writing to us.

12 How much business are your institutions  
13 doing with MBEs, WBEs and veteran-owned businesses,  
14 and do you have policies as it relates to the  
15 utilization of these entities? Thank you.

16 Thank you, Mr. Chairman.

17 MAJORITY CHAIRMAN ADOLPH: Thank you.  
18 Representative Jim Christiana.

19 REPRESENTATIVE CHRISTIANA: Thank you,  
20 Mr. Chairman. Gentlemen, thank you for being here.

21 The previous gentleman and I were on  
22 similar paths last week having this conversation  
23 with the State System chancellor. I think we share  
24 a growing concern, Representative Wheatley and I,  
25 that the marketplace is robust and complicated as

1 it relates to higher education in Pennsylvania, and  
2 times are changing.

3 As you mentioned, we invest in community  
4 colleges. Private schools receive state dollars  
5 through their students, the state-related  
6 flagships, branch campuses and the state school  
7 system. I would like to ask my question directed  
8 to Penn State and Pitt, if I may, as it relates to  
9 the branch campus discussion that we just started.

10 Could you, for us, define today's  
11 mission and goal for your branch campuses? I know  
12 they had a rich history back in 1963 and '65. But,  
13 the marketplace is changing. What is the mission  
14 of your branch campuses?

15 PRESIDENT ERICKSON: The mission of our  
16 campuses is to provide a high-quality educational  
17 experience for students in those communities  
18 predominately, although some students do come from  
19 outside of those service areas of the campuses; to  
20 provide them an opportunity to, in many cases, stay  
21 close to home, keep the cost of education  
22 relatively low; and to, if they so desire, move on  
23 to another university campus and have the  
24 opportunity to complete a degree.

25 For a student, for example, who is

1 studying at, let's take a campus like Fayette, the  
2 tuition there is about \$12,700 if they're able to  
3 commute from home. They're able to complete a  
4 degree in many fields that are very much oriented  
5 to workforce; degrees such as mining engineering,  
6 for example, which is very important to  
7 southwestern Pennsylvania; degrees in business;  
8 degrees in other kinds of engineering; degrees in  
9 health services, so that our graduates can get  
10 well-paying jobs and, in many cases, not have to  
11 leave the area. Some simply can't leave because  
12 they're tied to the local area for various reasons.  
13 Some already have jobs and are simply looking to  
14 complete their baccalaureate or other degree.

15 CHANCELLOR NORDENBERG: We have four  
16 regional campuses, as you probably know, in  
17 Bradford, Greensburg, Johnstown and Titusville.  
18 All of them are established parts of the community.  
19 Each of them, I think, still serves distinctive  
20 needs in their homes.

21 Certainly, Bradford and Titusville are  
22 in the Northern Tier, which tends to be underserved  
23 by higher education institutions generally. The  
24 programming at each of those campuses does tend to  
25 reflect the needs of the community that it serves,



1 and they also are campuses on which we deliver  
2 graduate-level instruction as it is needed in the  
3 community. So, the graduate programs in nursing  
4 and social work and areas like that, we have a  
5 place to deliver them.

6 REPRESENTATIVE CHRISTIANA: Since 2014  
7 is going to be a transition year for both of your  
8 institutions, and we have two legislators on  
9 opposite sides of the issue looking at,  
10 potentially, the need to reexamine the  
11 Commonwealth's approach to investing in higher  
12 education because we have so many different  
13 options, do you believe that your successors will  
14 have the same mission that the two of you have as  
15 it relates to the branch campuses, or is this  
16 something that the new administration may be  
17 looking at a change?

18 CHANCELLOR NORDENBERG: Well, I think  
19 that there will be some continuity in thinking  
20 about these issues. I would say, even within the  
21 University of Pittsburgh today, we are rethinking  
22 some of these issues. And I'm also confident that  
23 my successor would be interested in discussing  
24 those issues with you and with Representative  
25 Wheatley.

1                   PRESIDENT ERICKSON: I would say that  
2 you're likely to see continuity at Penn State, in  
3 as much, President-Elect Barron spent 20 years at  
4 Penn State in an earlier part of his career and was  
5 involved with the Commonwealth campuses in terms of  
6 various programmatic and other kinds of issues.

7                   But as Chancellor Nordenberg indicated,  
8 we're working that issue constantly in terms of  
9 changing programs to respond to student needs.  
10 We're sharing faculty among multiple campuses.  
11 We're sharing administrators among multiple  
12 campuses, because we need to bring that cost  
13 structure into line, too, so that we can deliver  
14 the education as effectively and as efficiently as  
15 possible there.

16                   REPRESENTATIVE CHRISTIANA: One thing I  
17 was really refreshed to hear you say is that your  
18 branch campuses are tailored to job placement. I  
19 think the more we can strengthen the lines between  
20 higher education and job creators in the 21st  
21 Century here in Pennsylvania, rather than exporting  
22 kids to other parts of the country, I'm refreshed  
23 to hear.

24                   I was refreshed to hear, though, the new  
25 chancellor of the State System is looking at their

1 academic catalogs and finding ways to streamline  
2 that. But I will ask a pretty direct question, and  
3 hopefully you can give a direct answer.

4 From the branch-campus perspective, is  
5 the State System, the 14 state schools, a direct  
6 competitor in the sense of admitting a lot of the  
7 same kids or targeting the same kids from  
8 Pennsylvania to their schools? Are they a direct  
9 competitor to your mission and to your objective  
10 from the branch campuses?

11 CHANCELLOR NORDENBERG: I would say  
12 there's probably some competition but less than you  
13 would think. The tuition, for example, that is  
14 charged at one of our branch campuses or at a Penn  
15 State branch campus is more than a state-system  
16 campus. So a student that decides to go to  
17 Pitt-Johnstown or Greensburg is making a decision  
18 about investing in an education there.

19 PRESIDENT ERICKSON: I would say the  
20 same thing. We tend to compete more with each  
21 other than we do with the state system of higher  
22 education.

23 REPRESENTATIVE CHRISTIANA: From a  
24 flag-ship perspective, I understand that  
25 competition. From an incubator standpoint of a

1 local incubator trying to tie higher education and  
2 job creation, your experience speaks for itself,  
3 and I'm pretty refreshed to hear that.

4           What we heard last week, unfortunately,  
5 I had heard we're coming to the party a little  
6 late, in that, we're losing a lot of kids and  
7 spending money even if it's less than what they  
8 would be spending at your institutions, they're not  
9 necessarily getting the success in terms of landing  
10 a job placement.

11           I know I probably went past my lotted  
12 time. I thank you. I also would like to thank  
13 you, as the Chair mentioned, about the dance  
14 marathon and congratulate you. One of my  
15 constituents, Mia Rendar, is a proud supporter and  
16 organizer of that, and what you've done in the  
17 recent weeks has made a lot of us proud. So, thank  
18 you, and thank you for your commitment.

19           PRESIDENT ERICKSON: Thank you very  
20 much.

21           MAJORITY CHAIRMAN ADOLPH: Thank you,  
22 Representative Christiana. If we all kept to seven  
23 and a half minutes, we'd be in good shape here.

24           Representative Mike Carroll.

25           REPRESENTATIVE CARROLL: Thank you, Mr.

1 Chairman. To your left, gentlemen. I'll do my  
2 best to keep it under the seven and a half minutes.

3 Last June, my wife and I experienced the  
4 wonderful joy of having our first of three children  
5 graduate from high school in our state. And the  
6 good news with respect to the process in selecting  
7 higher education is that, in Pennsylvania we have  
8 great options. We have a wonderful community  
9 college system, wonderful private schools, great  
10 State System schools and a great state-related  
11 program.

12 Chancellor Nordenberg, our son today is  
13 at Pitt and just loves it. So, we're thrilled  
14 about the prospects for our two daughters who are  
15 on the horizon, both in high school.

16 Not a question, but just a comment. I  
17 hope you'd contemplate it as you move forward for  
18 all four of you.

19 I'm hoping that each of the  
20 universities, whether the state-relateds or the  
21 universe of higher ed, when students engage in a  
22 major course of study, that we have enough course  
23 offerings within that major to allow them to  
24 graduate within the four years. I don't have any  
25 particular experience I'll point to, other than to

1 say that, some anecdotal stories that I've heard  
2 from parents that, sometimes, there's a problem  
3 with a student being able to complete their course  
4 of study in four years because a course might be  
5 oversubscribed.

6 So I would ask you to contemplate and  
7 make sure, in the world of course offerings, that  
8 we have enough courses and seats available for  
9 students to be able to complete the courses in  
10 their major to keep them on track for a four-year  
11 degree and not have it extend beyond the four  
12 years, and not have the situation where a student  
13 might end up with not being able to complete their  
14 course of study in four years because of the lack  
15 of an offering, or enough seats is a better way to  
16 say it than an offering. I'll stop there. I don't  
17 expect an answer from each four of you.

18 But just to contemplate that to make  
19 sure we do get done in four years. The Fly in 4  
20 Program at Temple sounds wonderful. To the extent  
21 that we can keep the students on a four-year track,  
22 from a parent who gets the tuition bill, we would  
23 appreciate that. I think it's also helpful for the  
24 student to get them to the finish line so they can  
25 either move on to additional education or move off

1 into the workforce.

2 Thank you for all you do. Thank you for  
3 all that's done in the world of higher ed. We have  
4 an obligation here in the House to try and augment  
5 what happens in the world of higher ed, and I look  
6 forward to working with all of you in the future to  
7 do that. Thank you.

8 MAJORITY CHAIRMAN ADOLPH: Thank you,  
9 Representative Carroll. Two minutes and 30  
10 seconds.

11 The Chair was remiss in recognizing  
12 Representative Marguerite Quinn from Bucks County  
13 is here. The next question is by Representative  
14 Glen Grell.

15 REPRESENTATIVE GRELL: Thank you, Mr.  
16 Chairman. Does that mean I can use Representative  
17 Carroll's extra five minutes? I'll try not to do  
18 that.

19 Thank you very much, gentlemen, for  
20 being here. I want to ask you some questions, get  
21 some information, about the impact of your employee  
22 pensions, on your operations and on your budgets.  
23 According to the research that I have, three of the  
24 institutions are not involved at all in our state  
25 pension plans. I believe Pittsburgh is not, Temple

1 is not and Lincoln is not. You all have either a  
2 combination of a defined benefit, defined  
3 contribution option, or I believe in the case of  
4 Lincoln, it's purely a defined contribution plan.

5 So, I'll ask the three of you: Does  
6 your current offerings to your employees impair  
7 either your budget or your ability to attract  
8 qualified personnel, either instructional or  
9 non-instructional?

10 CHANCELLOR NORDENBERG: No. Our defined  
11 contribution plan works well. It actually is a  
12 positive factor in recruitment and retention.

13 We do have a very small defined benefit  
14 plan, mainly for the lowest-paid employees who  
15 might not be able to contribute as they see it to a  
16 defined contribution program, and our defined  
17 benefit program is funded, so we do not have the  
18 kind of problems that are hanging over the heads of  
19 so many these days.

20 REPRESENTATIVE GRELL: The problems  
21 you've read about, yes.

22 The same with you, gentlemen?

23 DR. JENNINGS: Same with us. We've not  
24 had a problem.

25 REPRESENTATIVE GRELL: Okay.



1           In that case, let me ask President  
2 Erickson, your employees are eligible either for  
3 the SERS state employees' program or a private  
4 third party. I believe the most significant one,  
5 and maybe the only one, is the TIAA-CREF Program.  
6 Do you know what percentages of your employees,  
7 either overall or by instructional versus  
8 non-instructional, make either of those options.

9           PRESIDENT ERICKSON: Right. Among our  
10 employees, 34 percent are members of SERS;  
11 66 percent are in TIAA-CREF.

12           REPRESENTATIVE GRELL: Does that vary  
13 between instructional and non-instructional?

14           PRESIDENT ERICKSON: Yes, it certainly  
15 does. A much higher proportion of our faculty are  
16 in TIAA than SERS. Many of them have come from  
17 other institutions and already have investments in  
18 their TIAA-CREF retirement plans. TIAA-CREF is  
19 pretty much the industry standard in terms of,  
20 there are relatively few universities with whom we  
21 compete that are not TIAA-CREF in terms of their  
22 plans.

23           REPRESENTATIVE GRELL: I would think the  
24 portability of that pension, should they decide to  
25 move elsewhere in their careers, is an advantage of

1 being in that kind of system?

2 PRESIDENT ERICKSON: That's exactly  
3 right.

4 REPRESENTATIVE GRELL: I'll just throw  
5 this one out. If you have any suggestions or  
6 concerns to share with us as we collectively look  
7 for how we're going to address our State System  
8 pension issues, is the SERS option a valuable  
9 option to have and, equally, is the TIAA-CREF  
10 option a valuable option to continue to have?

11 PRESIDENT ERICKSON: Well, certainly,  
12 choice has been the hallmark of the situation we  
13 have. It would be very nice to continue to have  
14 choice.

15 Let me respond to that, Representative  
16 Grell, in two ways. One is, it's a very, very  
17 complex set of issues. We understand that. We  
18 understand the challenge that you have in trying to  
19 deal with this issue because it is so complicated.  
20 It plays out over such a long period of time.  
21 Changes in one aspect often have some very negative  
22 implications for other aspects of the program.

23 It's become very costly for us. Last  
24 year our additional recurring costs for SERS at  
25 34 percent of our employment was about \$11 million.

1 This year it's 13.2 million. Next year it's  
2 forecasted to go over 14; into the 14-and-a-half-  
3 million-dollar additional recurring costs.

4 So, when all of these costs are added  
5 together, it will be over a 50-million-dollar  
6 recurring cost that we have related to SERS. To  
7 put that into context, the \$13 million this year in  
8 terms of our recurring cost is about equivalent to  
9 a one-and-a-quarter-percent tuition hike just to  
10 pay the SERS bill.

11 REPRESENTATIVE GRELL: And that's just  
12 on 34 percent of your --

13 PRESIDENT ERICKSON: Just on the 34  
14 percent. Now, I have seen proposals that are  
15 related to a level of contribution and a defined  
16 contribution plan of 4 percent. That would be  
17 devastating for us in terms of our competition,  
18 especially for the 120 so research universities in  
19 the nation that we primarily compete with. We  
20 compete with institutions, including my colleagues  
21 here, who are paying probably 8 to 12 percent into  
22 programs. If our retirement programs in that  
23 defined contribution part of SERS were only, say,  
24 at 4 percent, that would put us at a serious  
25 competitive disadvantage.

1           So, I would ask you, please bear that in  
2 mind on any changes; that unintended consequences  
3 can be very significant here for the university.

4           REPRESENTATIVE GRELL: I appreciate the  
5 answer, and I will take you up on the suggestion  
6 that we stay in touch with you and your  
7 representatives as the issue percolates.

8           PRESIDENT ERICKSON: Please do.

9           REPRESENTATIVE GRELL: Thank you all for  
10 your answers and for everything you do. But  
11 particularly, President Erickson, Chancellor  
12 Nordenberg, thank you so much for everything you  
13 have done for your institutions and for the people  
14 of the Commonwealth.

15          PRESIDENT ERICKSON: Thank you.

16          REPRESENTATIVE GRELL: And best wishes  
17 and happy trails. Thank you.

18          MAJORITY CHAIRMAN ADOLPH: Thank you.  
19 Representative Scott Conklin.

20          REPRESENTATIVE CONKLIN: I want to thank  
21 you. Chairman Adolph, start the clock. We're  
22 going to have a world record here.

23                 I want to thank all you gentlemen for  
24 what you do. Chairman Clymer asked my questions;  
25 and on Thon, he already thanked you for it.

1           I just wanted to take a couple seconds  
2 to thank President Nordenberger. It's been a  
3 pleasure. You're a gentleman; someone I'll  
4 remember forever. And most of all, I want to thank  
5 President Erickson. I don't think the public  
6 really got to see how hard you worked and what a  
7 positive influence you've been.

8           I can tell you, out of all the years of  
9 being in elected office in Centre County and at the  
10 legislature here, I had more contact face to face,  
11 one on one than I ever had with anyone. I want to  
12 thank you all, but most of all, President Erickson,  
13 I want to thank you for all the hard work you have  
14 done. Thank you.

15           PRESIDENT ERICKSON: Thank you,  
16 Representative Conklin.

17           MAJORITY CHAIRMAN ADOLPH: Thank you.  
18 Representative Karen Boback.

19           REPRESENTATIVE BOBACK: Thank you, Mr.  
20 Chairman. Thank you for being with us, gentlemen.

21           My question has to do with curriculum  
22 and how it aligns itself with student success after  
23 graduation. I think the only real complaint I've  
24 ever had, as far as higher education goes, is from  
25 parents who say their children have graduated from

1 an institution in Pennsylvania; sometimes they were  
2 the top of the class but can't get a good-paying  
3 job, which always has me go back, well, what did  
4 they major in?

5 Many times, many times their major was  
6 something that was wonderful liberal arts, but if  
7 you're getting a degree in ballet and you intend to  
8 stay in northeastern Pennsylvania, where is the  
9 good-paying job for this particular person? They  
10 could start their own business. It's something  
11 they love. I get it. I get it. But we're  
12 talking, after four years of college/university and  
13 then looking for a good-paying job in, perhaps, a  
14 liberal arts field where there are no job in the  
15 area.

16 That goes along with those who have  
17 graduated, or they get into their junior year and  
18 they start fishing for different kinds of good-  
19 paying jobs, and they realize there's nothing  
20 there, and they go back or they'll stay in school.  
21 Two cases in point were in marketing, two different  
22 institutions, and these two young ladies graduated  
23 with marketing degrees and realized they would have  
24 to go to another state or a big city, which they  
25 did not want to do, and they went back to school to

1 become teachers. Luckily, one stayed in state and  
2 one went out of state and they did get jobs,  
3 because we know there are very few teaching jobs.

4 My question is, where does the  
5 counseling start? Should it begin in the high  
6 school, the middle school? Do you counsel them on  
7 a college/university level? Do you try to align  
8 your students with jobs, because if your  
9 institution guaranteed that my son or daughter  
10 would have a job, 90 percent job upon graduation,  
11 that's the institution I would send my child to.  
12 We know Temple has a neighbor that does just that;  
13 guarantees that, upon graduation, through their  
14 internships, there will be a job waiting for those  
15 students.

16 So, I hope I was succinct. I'm sorry I  
17 went around the mulberry bush, but I'm sure you get  
18 the same compliments --

19 DR. JENNINGS: We do.

20 REPRESENTATIVE BOBACK: -- complaints,  
21 concerns that I get. Who would like to address  
22 that?

23 DR. JENNINGS: We try to start as early  
24 as possible. The first part of your question is,  
25 how soon do we start? The counseling should start

1 as early as middle school; trying to help students  
2 to identify what it is you think you really want to  
3 do in life, and then start trying to expose them to  
4 any and everything possible in that particular  
5 field so that they really start to get a feel for  
6 whether or not this is something I really want to  
7 do.

8           Shadowing programs ought to start as  
9 early as high school, the first year of high  
10 school, so that, if they can go shadow somebody in  
11 that job so that they can really see and hear what  
12 you really do, that would be a great help.

13           But we are also finding that once they  
14 arrive on the university campus as a freshman, we  
15 still have a small core of students -- not as large  
16 as it once was, but we still have a small core of  
17 students who come saying, I don't know what I want  
18 to major in. I don't know what I want to do. So  
19 we have a counseling program now that says to  
20 you --

21           And when I speak to freshmen during  
22 freshman week, I say to them, you must decide and  
23 you must decide early on, hopefully by the end of  
24 this semester, what it is you really want to do,  
25 because then we can start helping you to buckle



1 down and focus on whether or not this is something  
2 you really want to do; exposing you to internships,  
3 people, speakers, the whole gamut.

4 We also say to each of our professors  
5 that, you have an obligation and a responsibility  
6 to describe to students in your major all of the  
7 jobs, the array of jobs that they have a  
8 possibility of being able to do, and explain to  
9 them where those jobs are likely to be, because you  
10 do have some students who don't want to go out of  
11 state.

12 But you have to be realistic with them.  
13 If you're looking to get a job and want to move up  
14 in this particular discipline, there's not a need  
15 for that in the Commonwealth of Pennsylvania, but  
16 there is a need in New Jersey; there's a need in  
17 Delaware, so you might have to drive here, there,  
18 or those kinds of places.

19 So, I think it all has to do with what  
20 level and kind of counseling are students being  
21 given and how soon are they getting that.

22 REPRESENTATIVE BOBACK: Thank you.

23 PRESIDENT THEOBALD: We group all of  
24 those under what we call financial literacy. When  
25 we interview students or have group sessions with

1 students, they do understand the return to a  
2 bachelor's degree. The return to a bachelor's  
3 degree is higher than it's ever been. What they  
4 don't understand is the difference in the return by  
5 major.

6 And so, we have very much focused on not  
7 telling you what major you should be in. People  
8 need to make their own choices, but they need to  
9 make those choices with information as, what are  
10 the likely labor market outcomes of being a ballet  
11 major as opposed to being an engineering major.  
12 Not every ballet major is going to do one thing,  
13 every engineer the other; but whatever you're  
14 likely to end up.

15 For those ballet majors, though, we've  
16 really also kind of began to focus on  
17 entrepreneurship and innovation across the  
18 curriculum. Whether you're going to go into the  
19 arts, there are lots of business parts of the arts  
20 that you can work in. You don't have to be on the  
21 stage. The labor market is going to change. The  
22 situation is going to change while you're out  
23 there. The economy is going to change while you're  
24 out there. You need to be able to be an  
25 entrepreneur; how do I respond to the changes in

1 the market so that Temple graduates can succeed  
2 regardless of what the labor market is, what  
3 changes in their profession and so on. So, making  
4 sure they have good knowledge but also have those  
5 entrepreneurial innovation skills they need.

6 REPRESENTATIVE BOBACK: Success  
7 regardless, I like that. Thank you, sir.

8 PRESIDENT ERICKSON: First of all, I  
9 think we all provide a lot of information. Our  
10 majors do because they're in the business of  
11 attracting students and recruiting the best and the  
12 brightest students to their programs. But I also  
13 feel compelled to rise up in defense of the liberal  
14 arts. Students vote with their feet, and they are  
15 passionate about various things.

16 I will sit here and tell you, I'd be the  
17 last person to tell a student who is really  
18 passionate about majoring in music or majoring in  
19 political science or anthropology that you  
20 shouldn't do this because it's not good for you.

21 Part of the role of universities has  
22 always been to produce an educated citizenry; a  
23 citizenry that helps to enrich far more than the  
24 workplace. There's a new study that just came out  
25 that showed that liberal arts' graduates, while

1 they don't earn as much in the first few years  
2 after graduation, by 10 years they've caught up.

3 I would challenge everyone to look at  
4 the educational background of the CEOs of top  
5 companies and how many liberal arts graduates you  
6 will find among them. So, I still champion the  
7 liberal arts unabashedly and hope that students who  
8 are really passionate about it will pursue them.

9 REPRESENTATIVE BOBACK: And I agree with  
10 you. Perhaps as a minor, if they want to go out,  
11 though, and pay their debt off, because I truly  
12 love liberal arts. That's part of my life as far  
13 as academia goes. But still, when I see these  
14 debts and I hear complaints from parents, and  
15 sometimes they're taking six years instead of four,  
16 it's that kind of economy.

17 So, I think we're all agreeing. We're  
18 all on the same page. It's just to align them with  
19 a good-paying job after they graduate.

20 I was going to ask, and I'm sorry,  
21 Chancellor, do you put statistics out there, like,  
22 how many of your students have jobs upon  
23 graduation? Do you help them get jobs from your  
24 institution upon graduation?

25 CHANCELLOR NORDENBERG: Yes. We counsel

1 from the start. We combine career counseling with  
2 academic counseling. We do produce statistics with  
3 respect to placement. We do emphasize things like  
4 internships that often are an avenue to a  
5 good-paying job.

6 But I do want to second what President  
7 Erickson said. That is, once the students are  
8 informed, they do have choices to make. And there  
9 are studies that show this gap closes --

10 And I'll just say, I was a child of  
11 Sputnik. If you were good in math or science, you  
12 were pushed in math or science. I was a math  
13 major. I would not know a complex differential  
14 equation if it walked through the door today. But  
15 I did get an education that permitted me to keep  
16 learning and growing and taking on new  
17 responsibilities, and I think we all try to do that  
18 for our students.

19 REPRESENTATIVE BOBACK: I appreciate  
20 your answers. Thank you so much. Thank you, Mr.  
21 Chairman.

22 MAJORITY CHAIRMAN ADOLPH: Thank you,  
23 Representative. Representative Mike O'Brien.

24 REPRESENTATIVE O'BRIEN: Thank you, Mr.  
25 Chairman. Good afternoon, gentlemen.

1           We've spent some time now talking about  
2 the intangible worth of a good education and what  
3 your institutions bring to that. But I like to ask  
4 the same question every year, and I think we need  
5 to turn for a moment and talk about the tangibles.

6           Can you tell us, each of your  
7 universities, how much money you produce every year  
8 outside of the university; what the university pays  
9 for paper, what the kids pay for pizzas or Burger  
10 King? How much money does your university put into  
11 your immediate geographic area?

12           PRESIDENT ERICKSON: We'll get you  
13 estimates of those figures, but it's a tremendous  
14 amount, obviously. We are across the Commonwealth,  
15 literally, with our campuses. We have about a  
16 billion-three-hundred-million-dollar operation in  
17 our academic health center down the road here in  
18 Hershey.

19           If you take a 4.4-billion-dollar annual  
20 operating budget, the vast majority of that is  
21 spent within the Commonwealth because, for most of  
22 us, we're a people industry, so we're probably  
23 spending roughly about 70 percent. Some of us,  
24 maybe more in terms of our overall budgets in  
25 people costs, and those are almost exclusively

1 local.

2 In addition to that, we buy a lot of  
3 various kinds of supplies in operating things. We  
4 purchase transportation services, utilities and on  
5 down the line. The vast majority of that  
6 4.4-billion-dollar annual operating budget stays  
7 right here in the Commonwealth.

8 REPRESENTATIVE O'BRIEN: So, it would be  
9 very reasonable to say, in both the category of  
10 tangible and intangible, state-related universities  
11 give a hell of a return on the investment of the  
12 Commonwealth. Thank you, gentlemen.

13 MAJORITY CHAIRMAN ADOLPH: Thank you,  
14 Representative. Representative Scott Petri.

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

17 Gentlemen, I would say for the record,  
18 being a father doing a search of colleges, you do  
19 represent an affordable opportunity for  
20 Pennsylvanians. I know that, oftentimes, we look  
21 at other states and we're jealous of the in-state  
22 tuition, as I would be if I was a resident of  
23 certain other states. But, compared to some of the  
24 other options at least my young man is considering,  
25 they look pretty good.

1           So, having started there, I'm going to  
2 set up this question so that I don't get skewered  
3 by the Chairman in going over the time. I'm going  
4 to have eight questions for you, and I don't expect  
5 you to answer them today. We can deal with your  
6 folks off-line or in writing, however you want to  
7 handle it. But let me just set up the question a  
8 moment.

9           According to statistics, including,  
10 recently, the President of the United States  
11 indicate that 1 in 19 female students during their  
12 term is either sexually assaulted or there's an  
13 attempted sexual assault, and 95 percent go  
14 unreported. There may be a lot of reasons why the  
15 victim chooses not to report. But, as we all know,  
16 there's a hearing process involved if someone does  
17 report and there's a situation.

18           I'm going to use this context in a  
19 private university. So we're clear, it's none of  
20 you. It's a private college of the highest degree.  
21 I'll tell you what has been reported to me happened  
22 in that hearing process, and then I'll go through  
23 just a quick line of questions.

24           According to the information I received,  
25 when the complaint was filed, the person was



1 assigned an advocate, but they did not appear at  
2 the hearing, so they went unrepresented. The  
3 hearing lasted eight hours with no dinner break.  
4 The victim was not allowed to present all of her  
5 testimony because, quote, time expired.

6 And, most shocking of all, the hearing  
7 officer made the young lady describe, even though  
8 she initially refused to do so, her prior sexual  
9 experience. Ultimately, the record was destroyed  
10 within a short time period, like a week.

11 So looking at that, one could obviously  
12 think that, if that occurred at a university that I  
13 attended or my child attended, particularly a  
14 daughter, that might be a disincentive, if you  
15 will, for anyone to file to have to go through that  
16 process. So here's the questions, generally. And  
17 again, we can do this off-line.

18 In your hearing process, does the  
19 student get an advocate? And if they don't have  
20 one, the hearing is delayed until they could?

21 Are questions asked of victims about  
22 their prior sexual experience? I would hope the  
23 answer would be no.

24 Are students generally dissuaded from  
25 filing? In this case, apparently, the university

1 or college continually said, oh, you shouldn't  
2 file; you shouldn't file.

3 Are records retained for whatever the  
4 appropriate time period is under the Clery Act?

5 Does the board regularly review the data  
6 to determine whether there's a problem?

7 Of course, the ultimate question: What  
8 are we as universities doing about educating our  
9 students when they enter the campus so they  
10 understand what their conduct should be and what  
11 the consequences of failing to conduct --

12 If you want to comment on that part of  
13 the question, I think that's probably the most  
14 salient piece of information to convey to people.  
15 Thank you.

16 CHANCELLOR NORDENBERG: Well, that is a  
17 horror story. We would hope that, perhaps, there  
18 are things about the report that are not accurate.  
19 We would be very glad to provide information with  
20 respect to the specifics on the process that you  
21 raised.

22 But let me begin where you ended and  
23 simply say that, we have very proactive processes  
24 within the university intended to reach out, both  
25 to the young men and the young women who are

1 students, to make clear what some of the risks  
2 might be; how they can best be avoided; and then  
3 actually do have a process that is designed to  
4 encourage reporting and to provide appropriate  
5 guidance and protections if reports are made.

6 PRESIDENT ERICKSON: I would say the  
7 same is true of Penn State. In fact, I would say,  
8 if this report was accurate, the legal authorities  
9 should have been contacted. This is really a legal  
10 matter. It sounds to me like there's a high  
11 probability that a crime was committed here and  
12 should have been dealt with in that particular  
13 manner.

14 I'd also like to come back to  
15 Representative Clymer's comment at the beginning of  
16 the hearing, and that related to alcohol and  
17 substance abuse. We often find that many of these  
18 instances of sexual assault are also related to  
19 excessive use of alcohol. The two are often  
20 closely linked, and we have to really deal with  
21 both issues in terms of our educational  
22 programming.

23 DR. THEOBALD: Yeah, I agree with all of  
24 that. I mean, very much the focus of our  
25 orientation when students come to campus is on both

1 of these issues. We try to make aware immediately,  
2 what are the services provided, what is this going  
3 to do to you; and know the consequences as well, if  
4 they do choose to partake.

5 DR. JENNINGS: I would say ditto to  
6 what's been said previously. But, we do have a  
7 very strong orientation program. I have gone a  
8 step further, in that, every August I have a  
9 separate meeting of all men on campus; every male  
10 employee, every male student, and I talk about what  
11 it means to be a man, first of all, and then I  
12 describe what it means to be a Lincoln man; how we  
13 carry ourselves, how we treat women, what we do to  
14 them, what we don't want to do to them.

15 Then I have a meeting the next day with  
16 all women on campus. I'm only in that meeting for  
17 a short period of time to describe to women what  
18 men look for in a decent woman. Then I sort of  
19 leave them to the dean of students who sort of  
20 takes it further, and she talks to them about women  
21 kinds of issues. We found that it helps; the  
22 incident, again, of those kinds of problems and  
23 concerns. And we can do that because we're smaller  
24 than these three institutions. So, we can have  
25 that kind of family-type conversation with young

1 people, but we found that it helps.

2 REPRESENTATIVE PETRI: I thank all four  
3 of you for your responses. I was fairly confident  
4 that this is something a major university would be  
5 focused on. For me, it's a fairness issue. You're  
6 expected under the Clery Act to report certain  
7 things, and it's well beyond sexual assault. It's  
8 any incident that occurs on campus.

9 Every campus I go to now has a blue  
10 light of some kind for emergency situations, and  
11 students actually look at safety information. But  
12 if you're fairly reporting and someone is not,  
13 that's also not a fair comparison for those. I  
14 thought these statistics were startling.

15 Thank you, Mr. Chairman.

16 MAJORITY CHAIRMAN ADOLPH: Thank you,  
17 Representative. Representative Matt Bradford.

18 REPRESENTATIVE BRADFORD: Thank you,  
19 Chairman Adolph.

20 I just want to follow up. I know  
21 there's been some talk about the Governor's  
22 Commission on Postsecondary Education. I was  
23 wondering, based on that commission, has there been  
24 any action, concrete or otherwise, that's come down  
25 from the Administration, or just advisory they're

1 hoping you guys will enact or work upon?

2 CHANCELLOR NORDENBERG: To my knowledge,  
3 there has been no follow-up action. There was some  
4 discussion for a period of weeks after the report  
5 was first released, but if more has been done, I'm  
6 unaware of it.

7 DR. JENNINGS: I don't know of any  
8 action that has been taken as a result of the  
9 report being completed.

10 REPRESENTATIVE BRADFORD: The other two  
11 presidents?

12 DR. THEOBALD: I was not here, so I  
13 don't know about the report.

14 REPRESENTATIVE BRADFORD: That's a good  
15 reason.

16 PRESIDENT ERICKSON: I'm not aware of  
17 any specific actions. I don't believe anyone has  
18 come back to any of us as commissioners.

19 REPRESENTATIVE BRADFORD: One of the  
20 things that was discussed about the floor in terms  
21 of funding and where we go from there; obviously, I  
22 guess, in the Governor's first budget, there was  
23 proposed a 50 percent cut. I think that was  
24 brought to 19 and then, subsequently, that's been  
25 flat-funded since. I guess there was a mid-term

1 5 percent cut, too, that compounded some of those  
2 cuts.

3 One of the responses that is often given  
4 is that, basically, state aid can be divorced from  
5 tuition increases and that, therefore, can be  
6 divorced from student debt. I'm just wondering if  
7 any of the presidents would like to talk about that  
8 notion or dispel that, or is there any logic to  
9 that theory of school funding?

10 CHANCELLOR NORDENBERG: Well, I'm not  
11 sure I understand the theory, but I think we can  
12 clearly demonstrate that there is a very direct  
13 relationship between levels of state funding and  
14 levels of tuition charges. You can make a graph  
15 and you can show, when one goes down, the other  
16 goes up. It's almost a perfect relationship.

17 And I do want to say, too, because the  
18 commission report did talk about the other aspects  
19 of institutional contribution; that the initial  
20 cuts were 19 percent to our general appropriation,  
21 but they were 50 percent to our academic medical  
22 support. They were 50 percent to our capital  
23 project support and, of course, we also have now  
24 lost tobacco settlement monies that were very  
25 important in leveraging our ability to attract

1 federal grants from outside of the Commonwealth and  
2 into our institutions. So, it was a multi-phased  
3 cut when all was said and done.

4 PRESIDENT ERICKSON: I'd just like to  
5 add to Mark's comment that there is a very  
6 noticeable inverse relationship between  
7 appropriation increase and tuition increase. But  
8 also to point out that, over the years,  
9 appropriation has fallen to such a low level of our  
10 educational and general budget that, now, a  
11 5 percent increase in appropriation is equivalent  
12 to a 1 percent increase in tuition.

13 So it takes a huge amount of  
14 appropriation increase to be equivalent to just one  
15 percent of tuition, because the proportion of  
16 appropriation now in our educational and general  
17 budget is down to about 13 percent. That's that  
18 core instructional budget.

19 DR. THEOBALD: I have nothing to add to  
20 that; about the same.

21 DR. JENNINGS: Same.

22 REPRESENTATIVE BRADFORD: I appreciate  
23 you taking the time. I'll be honest, President  
24 Erickson, I didn't even realize that. That's a  
25 really interesting way of realizing, how to dig out



1 of this now would really have a big impact on  
2 student tuition and, subsequently, debt.

3 PRESIDENT ERICKSON: That said, every  
4 dollar helps.

5 REPRESENTATIVE BRADFORD: Thank you,  
6 President. Thank you, Chairman Adolph.

7 MAJORITY CHAIRMAN ADOLPH: Thank you.  
8 Representative Tom Killion.

9 REPRESENTATIVE KILLION: Thank you, Mr.  
10 Chairman. And, gentlemen, thank you for what you  
11 do; the two retirees, best of luck.

12 Bill mentioned that President Erickson  
13 needs to maybe get a little less stressed. I don't  
14 know how you could have had any more stress than  
15 you've had. I, as a Penn Stater and a father of a  
16 daughter that graduated in 2010 and a daughter  
17 that's there now, a senior, I want to thank you for  
18 what you did for the university. Your leadership  
19 really got us through some tough times. I know we  
20 have a ways to go, but thank you. We really mean  
21 that.

22 I do want to talk about Thon, and I did  
23 last year. I was fortunate enough this year to go.  
24 I was there on Saturday, and I was there for the  
25 last five hours on Sunday. It was just amazing.

1 My daughter, as I mentioned, is a senior. People  
2 think it's just the kids dancing. It's the stands  
3 dancing. My daughter was there, even though she  
4 wasn't a dancer, the entire time, from the  
5 beginning to the end. I stopped over to see her at  
6 one point; she was exhausted.

7           And what they go through to get there.  
8 We hosted her sorority, Pi Beta Phi, at our home.  
9 They came out for their canning, where they go out  
10 throughout the Commonwealth to raise money. You'll  
11 see them standing on the corners. And just  
12 watching these girls. It was a very cold day, and  
13 they came back and dumped all that money on the  
14 floor, and they were so excited about counting it.  
15 It's just amazing.

16           And then being there in person this  
17 year -- Now, the last time I was there was in 1979  
18 when my fraternity was involved, and the entire  
19 event raised about \$45,000 or something; the whole  
20 thing. Obviously, it's come a long way.

21           But I would encourage anyone that's  
22 never seen it or can't get there, go on YouTube and  
23 look at why we dance; the history, the story of  
24 Thon. First, get some tissues because it's a real  
25 tearjerker. I think it's a 2012 one they talk

1 about.

2 Then also, I think next year when you  
3 come to an intersection and you see those kids on  
4 the corner with their white cans and their white  
5 sign, you're gonna dig a little deeper in your  
6 pocket. And I just want to congratulate the  
7 students.

8 We heard from Representative Clymer  
9 about the concerns with alcohol and substance abuse  
10 and all the bad things we think about with our  
11 kids. You go to this event or watch that video,  
12 you will have a whole new perception of what our  
13 kids are doing at these schools. I'm just so proud  
14 of Penn State for what they've accomplished with  
15 Thon. Thank you.

16 PRESIDENT ERICKSON: Thank you.

17 MAJORITY CHAIRMAN ADOLPH:  
18 Representative Santarsiero.

19 REPRESENTATIVE SANTARSIERO: Thank you,  
20 Mr. Chairman. Chastened as I am by the last  
21 hearing, I'll try to be as quick as I can, Mr.  
22 Chairman.

23 Gentlemen, welcome. I want to wish both  
24 President Erickson and Chancellor Nordenberg the  
25 best in the future and, obviously, to Doctor

1 Theobald and Doctor Jennings, we look forward to  
2 continue to work with you in the future.

3 Kind of picking up on the line of  
4 questioning that Representative Bradford began, I  
5 noticed, in doing some research, that the National  
6 Conference of State Legislatures published a report  
7 that said, on average, last year states increased  
8 funding to higher ed by about 5 percent.  
9 Obviously, we didn't do that here in Pennsylvania.

10 But picking up on what you said,  
11 President Erickson, about the relationship between  
12 state funding and tuition, what kind of a state  
13 funding increase would we need in order to help  
14 stabilize tuition; to avoid increases and stabilize  
15 it over a longer period of time?

16 Could each of you, perhaps, address  
17 that? I'd be grateful.

18 PRESIDENT ERICKSON: We've put ourselves  
19 in a position over many years. I want to make that  
20 clear. It's not just in recent years. It's really  
21 several decades now where the public funding for  
22 our universities, for public universities, has  
23 declined very significantly as a proportion of the  
24 total and relative to personal income or per capita  
25 funding, or however you want to measure it.

1           None of us here are Pollyanna-ish about  
2 that, all of a sudden, the world is going to turn  
3 around. We know we've been in a great recession,  
4 and the Commonwealth has been relatively slow  
5 coming out of that. But I think, again, we were  
6 cognizant of that when three of us here were  
7 members of that Postsecondary Advisory Commission;  
8 that I thought we put together a good path, a good  
9 map for how, year by year, we increased that so  
10 that at the baseline we get up to the average of  
11 where we were before things really began to decline  
12 in the early part of the past decade.

13           I thought it was a very realistic kind  
14 of approach. I seriously doubt that the General  
15 Assembly is going to have the resources to change  
16 what has been decades in the making. I think what  
17 we need is to follow a plan where we're saying,  
18 look, we're going to make an investment on the part  
19 of the people in Pennsylvania, and we're going to  
20 stick with that until we at least get back to some  
21 area where we need to be so that we can keep our  
22 tuition increases very moderate in the future,  
23 inflationary kinds of increases; keep the doors of  
24 opportunity open, be affordable. And that, I  
25 think, in the long run will pay big dividends for

1 the Commonwealth. But I think it needs a long-term  
2 commitment now to really recover from, basically,  
3 40 years of underinvestment.

4 REPRESENTATIVE SANTARSIERO: All right.  
5 Thank you.

6 DR. JENNINGS: I would just add to that.  
7 I certainly concur with what he just said. But I  
8 think we spent a lot of time on that commission  
9 working through the issues, and I think what we  
10 came forward with was a realistic plan. I was  
11 there for every meeting. I did not miss a one, and  
12 I can tell you that there were people who felt that  
13 we had to take under consideration the constraints  
14 under which the Commonwealth and the whole nation  
15 had been operating. So what I think we came  
16 forward with was a realistic plan.

17 I was certainly hopeful of the fact, and  
18 I'm still hopeful of the fact that this is going to  
19 be the year that we start to implement what we  
20 recommended and which was accepted by the Governor  
21 who came to hear the final report and thank the  
22 committee for its work.

23 CHANCELLOR NORDENBERG: To be clear,  
24 this was not a commission that was limited to  
25 higher education leaders. It did include business

1 leaders and others who look at the system from a  
2 different perspective but still said, this is one  
3 of the great assets of the Commonwealth of  
4 Pennsylvania. We really need to make certain that  
5 we don't fall so low that we lose the advantages  
6 that it brings. And we have fallen pretty low.

7           It is true that this has been a problem  
8 years in the making, but the last few years have  
9 been particularly difficult, and we are now back to  
10 mid-'90s levels of funding, in absolute dollars,  
11 unadjusted for inflation. If there are  
12 inflationary adjustments made, we now are funded at  
13 a lower level than any level since we became state-  
14 related.

15           Still we said, we've been in it with you  
16 all along. We know, when there are tough times,  
17 everyone has got to contribute. I think most of us  
18 were expecting or hoping what would be relatively  
19 modest increases, you know, a 5 percent stepback or  
20 something like that; not that anything could be  
21 turned around overnight.

22           And I do want to make clear that,  
23 without the support of people in this room, we know  
24 we would have been in even worse shape today, and  
25 so we're grateful for that. We work hard every day

1 to make certain that the returns on the investments  
2 you make in us are great returns for Pennsylvania  
3 and its people.

4 DR. THEOBALD: I was not on the  
5 commission, and it was before my time.

6 Another way to look at this, in terms of  
7 what the return is to the state investing in higher  
8 education is, what are the tax payments made by  
9 college graduates? If you look at any data that  
10 the census department puts out on that, the return,  
11 the college graduates pay somewhere between  
12 eight to \$10,000 more per year in taxes than the  
13 average citizen does. You're getting that  
14 returned. That's local, state and federal. It  
15 doesn't all come to the state government.

16 REPRESENTATIVE SANTARSIERO: Right.

17 DR. THEOBALD: But you're looking at  
18 where we're investing 3,000, 4,000, \$5,000 a year,  
19 for four years, and yielding 8,000 a year for 30  
20 years, 35 years. That's a phenomenal return on  
21 investment for a state.

22 REPRESENTATIVE SANTARSIERO: Thank you.

23 We often talk about accessibility to  
24 higher education and the importance of that, and  
25 that was a very good take on that piece in terms of



1 impact on the rest of the economy and our revenues.  
2 But it seems to me that, if we really want to make  
3 it accessible, we really want to avoid high levels  
4 of debt for our kids, we do have to have that  
5 long-range plan, and we have to be serious about  
6 it.

7 I know there's bipartisan support for  
8 that, but it does trouble me because, as you just  
9 said, Chancellor Nordenberg, you thought perhaps a  
10 modest 5 percent cut would have been something  
11 under the economic conditions that you would have  
12 expected, and we had something more than three  
13 times that. And it still hasn't been remedied, and  
14 we're still not proposing a remedy now, and it's  
15 really high time that we did.

16 Thank you both very much.

17 MAJORITY CHAIRMAN ADOLPH: Thank you,  
18 Representative. Representative Bernie O'Neill.

19 REPRESENTATIVE O'NEILL: Thank you,  
20 gentlemen, for being here. I apologize. I'm like  
21 the winter; this cold doesn't want to go away, so i  
22 apologize for that.

23 First of all, I want to thank you all  
24 for what you do. In my family we have at least  
25 three of their graduates from all three schools.

1           Doctor Erickson, I want to thank you  
2 because, as an alum, I can honestly tell you, I  
3 don't think people realize in this Commonwealth, or  
4 the alumni, what you've done for the university  
5 over the last three or four years given the  
6 situation. I would just want to personally thank  
7 you for standing up and doing the right thing.

8           Chancellor, there's an old saying, happy  
9 wife is a happy life. I think that's how it goes.  
10 I want to thank you on behalf of my wife, and I  
11 don't know if you remember, she's a Pitt grad. We  
12 have the house divided. But my wife,  
13 unfortunately, when she was in college had to work.  
14 Given her major, she was always working on  
15 Saturdays, so she never attended a Pitt game. This  
16 year--I won't say how many years later--she finally  
17 attended her very first Pitt football game.

18           And I want to thank your very able  
19 government relations guy, Charlie McLaughlin,  
20 because he guaranteed the chancellor guaranteed a  
21 victory. It was against a team that very little of  
22 us know about in the Midwest somewhere. I think  
23 Notre Dame or something other.

24           (Laughter).

25           REPRESENTATIVE O'NEILL: So I want to

1 thank you. You made her a very happy woman.  
2 Though parking is tough around there, let me tell  
3 you.

4 I just want to talk very quickly about  
5 the appropriations. Someone can correct me if I'm  
6 wrong, but this is my 12th year here in the  
7 legislature, and as best I can remember, your line  
8 items and the appropriation have either been  
9 flat-lined or reduced through that entire time. I  
10 think you're hearing a lot from a lot of people  
11 about the importance of higher education and the  
12 impact it has on Pennsylvania. So, you've really  
13 been doing a lot with less over the years.

14 I just want to drive home one thing, and  
15 I just want you all to address it. And that's  
16 simply that, your appropriations, every penny that  
17 you get from the Commonwealth and the taxpayer,  
18 goes to student tuition for in-state students; is  
19 that correct?

20 DR. THEOBALD: Much more than, yes. Our  
21 discount for resident students is far beyond what  
22 we receive in the state appropriation. It would be  
23 almost double.

24 REPRESENTATIVE O'NEILL: Oh, great.

25 DR. JENNINGS: The same would be the

1 case at Lincoln, yes.

2 PRESIDENT ERICKSON: Yes.

3 CHANCELLOR NORDENBERG: Yes.

4 REPRESENTATIVE O'NEILL: So our  
5 appropriations are helping you to keep the tuition  
6 down for students. Great.

7 One last thing. I had the opportunity  
8 last year to sit down with your staff here at Penn  
9 State, and they showed me, basically, the formula;  
10 the system that you use and how you come up with  
11 your tuition for your students every year. I  
12 really believe that's something you really need to  
13 educate the Appropriations Committee and the people  
14 here in Harrisburg to see. I think they would have  
15 a better understanding why your tuition is where  
16 it's at and the impact that we have on your tuition  
17 for in-state students.

18 PRESIDENT ERICKSON: Okay.

19 REPRESENTATIVE O'NEILL: But thank you,  
20 gentlemen, and happy retirement. I'm sure we'll be  
21 seeing you around. Thank you.

22 MAJORITY CHAIRMAN ADOLPH: Thank you,  
23 Representative O'Neill. Chairman Markosek was not  
24 happy with that result of that Pitt-Notre Dame  
25 game.

1           I want to thank each and every one of  
2 you for your testimony today. At times, you can  
3 see an awful lot of support on both sides of the  
4 aisle for our state-related universities. I  
5 personally want to thank each and every one of you  
6 for coming here. With your professionalism, it  
7 could have been a lot tougher hearing.

8           I understand the appropriations have  
9 been stymied for many, many years. We'd like to  
10 turn that around as the economy gets better, as  
11 Doctor Jenkins had indicated that the commission  
12 had in mind, and the Chancellor as well.

13           We're going to take a look at that  
14 commission report. We're going to work with it. I  
15 can't promise you anything right now, but the more  
16 information that you give us regarding the cost-  
17 saving elements that you're doing to try to make  
18 higher education more affordable and accessible --

19           I know the Governor did put in this  
20 budget, that we didn't go over a lot with today, is  
21 the \$25 million new grant; middle class they were  
22 talking about. It will affect each one of your  
23 student bodies a little differently, I understand.  
24 But it's something that we hear from our  
25 constituency throughout the Commonwealth.

1           Without a doubt, you are an asset to our  
2 Commonwealth, and we do appreciate it. We will  
3 work with you to try to keep these state-related  
4 universities a world-class university.

5           Thank you very much, and best of luck to  
6 you two. And good luck to you two. Thank you very  
7 much.

8           We will reconvene in about five minutes  
9 for the Pennsylvania Higher Education Assistance  
10 Agency. Thank you.

11           (At 4:05 p.m., the budget hearing  
12 concluded).

13                           \*   \*   \*   \*

14

15

16

17

18

19

20

21

22

23

24

25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

C E R T I F I C A T E

I, Karen J. Meister, Reporter, Notary Public, duly commissioned and qualified in and for the County of York, Commonwealth of Pennsylvania, hereby certify that the foregoing is a true and accurate transcript, to the best of my ability, of the budget hearing stenographically taken by me and reduced to computer printout under my supervision.

This certification does not apply to any reproduction of the same by any means unless under my direct control and/or supervision.

Karen J. Meister  
Reporter, Notary Public