



**PennState**

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**Meetings of the Board of Trustees**

**July 17, 2020**

# **Agenda**



**THE PENNSYLVANIA STATE UNIVERSITY  
BOARD OF TRUSTEES  
PUBLIC MEETING – July 17, 2020  
1:00 pm  
via ZOOM**

1. **Chair Welcome/Remarks**
2. **Call to Order**
3. **Action Items [attached]**
  - a) Approval of *Minutes* from May 8, 2020 and June 9, 2020 and June 23 Meetings

**Finance, Business and Capital Planning:**

  - b) Proposed Operating Budget for Fiscal Year Beginning July 1, 2020 with Corresponding Tuition and Fees Effective for 2020 Fall Semester
  - c) Proposed Final Plan Approval and Authorization to Expend Funds, Allied Health Building, Penn State Mont Alto
  - d) Proposed Final Plan Approval and Authorization to Expend Funds, Taxiway A Rehabilitation, University Park Airport
  - e) Proposed Final Plan Approval and Authorization to Expend Funds, Seventh Floor South Addition MICU Renovation, Penn State Health Milton S. Hershey Medical Center
  - f) Proposed Final Plan Approval and Authorization to Expend Funds, Radiation/Oncology Renovations, Penn State Health Milton S. Hershey Medical Center
  - g) Proposed Purchase of 225 Science Park Road, Ferguson Township, Centre County
  - h) Proposed Changes in Room and Board Charges for Fall Semester 2020

**Governance and Long-Range Planning:**

  - i) Proposed Approval of Board of Trustees Representation from Underrepresented Groups
4. **President's Report and Discussion**
5. **Closing Remarks/Announcements**

**7/17/2020 Action Items**

- a) **Approval of Minutes from May 8, 2020, June 9, 2020 and June 23, 2020 Meetings**
- b) **Proposed Operating Budget for Fiscal Year Beginning July 1, 2020 with Corresponding Tuition and Fees Effective for 2020 Fall Semester**

Will the Board of Trustees adopt the following resolution:

RESOLVED, That the proposed Operating Budget for the University for the fiscal year beginning July 1, 2020, as shown in the 2020-2021 Proposed Operating Budget with corresponding Tuition and Fees Schedules, is approved.

(The 2020-2021 Proposed Operating Budget and Tuition and Fees Schedules will be distributed to Trustees under separate cover.)

- c) **Proposed Final Plan Approval and Authorization to Expend Funds, Allied Health Building, Penn State Mont Alto**

The University intends to build an approximately 22,000 square foot new building at Penn State Mont Alto to support its Occupational Therapy (OT), Physical Therapy (PT), and Nursing programs. The addition of adequate space for these growing programs will enable the conversion of OT and PT from two to four-year programs. These programs, which currently have capacity for 266 students, will have the potential to grow capacity by approximately 100 students.

The new building design includes classroom laboratories, faculty resources, changing rooms, lab support spaces and storage, an ambulance port, program administration spaces, and a multi-function event space. The design also includes renovations to create two classrooms in the Sci-Tech Building. The new building has been sited to enhance the Mont Alto campus quad and improve pedestrian circulation.

Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the final plans for the Allied Health Building, as designed by Hord Coplan Macht, Inc. of Baltimore, Maryland, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds and award contracts to accomplish the project is approved in the amount of \$13,000,000.

- d) **Proposed Final Plan Approval and Authorization to Expend Funds, Taxiway A Rehabilitation, University Park Airport**

Taxiway A pavement at University Park Airport has exceeded the Federal Aviation Administration's (FAA) 20-year service life. A rehabilitation project is planned to replace the pavement, remove direct access to the runway from aprons, increase the size of the hold-bays, and widen fillets and shoulders to meet current FAA design standards and better accommodate larger aircraft. Other improvements include storm sewer upgrades and the removal of an abandoned cross-wind runway. Funding for the \$34.8 million project will come primarily from the FAA with some additional funding from the Passenger Facility Charge. It is expected the improvements will be phased over multiple years as federal funding is made available and there is access to the airfield; the entire project was designed to compete for funds from the FAA's Airport Improvement Program discretionary grants.

**7/17/2020 Action Items**

Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the final plans for the Taxiway A Rehabilitation at University Park Airport, as designed by Mead and Hunt of Middleton, Wisconsin, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds and award contracts to accomplish the project is approved in the amount of \$34,800,000

**e) Proposed Final Plan Approval and Authorization to Expend Funds, Seventh Floor South Addition MICU Renovation, Penn State Health Milton S. Hershey Medical Center**

The seventh floor of the South Addition at the Hershey campus, which currently houses the Neonatal Intensive Care Unit, the Continuing Care Nursery and Pediatrics Progressive Care, will be vacated upon completion of the Children's Hospital Overbuild.

To relieve adult bed capacity pressures, a renovation is planned to convert the vacated space into a 24-bed floor for the Medical Intensive Care Unit. The project will include nurse and physician workspace, equipment storage, anesthesia space, and soiled and clean linen storage. Additionally, the appropriate infrastructure will be constructed to provide the ability to support a surge of special pathogen patients, such as those with COVID-19 infections.

Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the final plans for the Seventh Floor South Addition MICU Renovation, as designed by FLAD Architects of Madison, Wisconsin, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds and award contracts to accomplish the project is approved in the amount of \$24,600,000.

**f) Proposed Final Plan Approval and Authorization to Expend Funds, Radiation / Oncology Renovations, Penn State Health Milton S. Hershey Medical Center**

MRI-guided Linear Accelerator technology will move radiation treatment at Penn State Health Milton S. Hershey Medical Center into the future with 4D planning and treatment delivery. This technology allows greater precision to accurately treat tumors while sparing healthy tissue. The hospital intends to perform a multi-phase renovation within the newly established ground floor Radiation Oncology Department to accommodate a new Accelerator and associated support spaces, such as equipment storage, care team work space, and dosimetrist and physician planning spaces. Displaced office and conference room space will be relocated to adjacent non-clinical care space.

Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the final plans for the Radiation / Oncology Renovations, as designed by BDA Architects of Clark Summit, Pennsylvania, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds and award contracts to accomplish the project is approved in the amount of \$12,000,000.

**g) Proposed Purchase of 225 Science Park Road, Ferguson Township, Centre County**

Established in 1945, Penn State's Applied Research Laboratory (ARL) is the largest interdisciplinary institute under the Office of the Senior Vice President for Research. ARL is a U.S. Department of Defense (DoD) University Affiliated Research Center (UARC) laboratory maintaining a long-term strategic relationship with the DoD. ARL provides essential research capabilities, develops new technology for national security applications, and provides unbiased technical advice to the DoD and other federal agencies. ARL research generated \$269 million of operating revenue during University Fiscal Year 2019.

ARL employs a staff of approximately 1,400, including research faculty, engineers, staff, and students. ARL has made essential contributions to the University's educational mission by providing approximately 200 students annually with valuable work experience, helping to encourage and shape the students' careers in science and engineering. ARL supports national security, economic development and quality of life through education, scientific discovery, technology demonstration, and successful transition to application. In February 2018, the U.S. Navy awarded the Applied Research Laboratory at Penn State the largest research contract in the University's history – worth as much as \$2.1 billion over ten years – to conduct research and development to improve U.S. national security.

In 2009, the University negotiated a lease for 120,890 square feet of built-to-suit space with a purchase option from C2S, Limited Partnership. The building is located at 225 Science Park Road, Ferguson Township, Centre County, and currently supports ARL's Undersea Systems Office. ARL's long-term strategic initiatives and the financial lease/buy analysis supports the recommendation to purchase this property.

Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the Board of Trustees approves the acquisition of 225 Science Park Road, Ferguson Township, Centre County, Pennsylvania, comprised of 6.26 acres and one building totaling 120,890 gross square feet, from C2S, Limited Partnership at a price not to exceed \$26,750,000.

FURTHER BE IT RESOLVED, That the Officers of the University are authorized and directed to take such steps as are necessary to make effective these resolutions.

**h) Proposed Changes in Room and Board Charges for Fall Semester 2020**

The room and board charges for Fall Semester 2020 and Spring Semester 2021 were approved by the Board of Trustees on February 21, 2020.

As a result of the announcement on June 14, 2020 that campus-based, residential instruction for Fall Semester will end on November 20, 2020, with the remainder of the semester – including final examinations – being delivered remotely and online, residence halls will close effective November 22, 2020. It is proposed that the previously approved room and board charges for Fall Semester 2020 be reduced to reflect the reduction in the length of on-campus residency for the semester. The room and board rates for Spring Semester 2021 will remain as approved by the Board of Trustees in February 2020.

Appendix I provides details of the revised Housing and Food Service Budget Presentation for 2020-21.

**7/17/2020 Action Items**

Will the Board of Trustees adopt the following resolution:

RESOLVED, That Fall Semester 2020 room and board charges at all locations be revised as shown on Schedules I through III attached hereto and which are a part of this resolution.

(See Appendix I)

**i) Approval of Resolution Establishing an Aspirational Goal whereby at least 50% of the Members of the Board of Trustees will be from Racial, Ethnic and Gender Underrepresented Populations by 2025.**

Will the Board of Trustees adopt the following resolutions:

WHEREAS, The Board of Trustees is committed to leading the University to model equity and inclusivity and embrace the power of diversity and belonging;

WHEREAS, The Board of Trustees believes that it is critically important for all students to see themselves represented in positions of leadership, including the Board of Trustees;

WHEREAS, The Board of Trustees recognizes that its racial, ethnic and gender diversity does not currently represent the diversity of the University community;

RESOLVED, That the Board of Trustees aspires that by 2025, at least 50% of its members will be from racial, ethnic and gender underrepresented populations;

RESOLVED, That in each of the next five election/appointment cycles, the Board of Trustees shall take reasonable and proper steps intended to achieve that goal; and

RESOLVED, That such steps may include, among other things, amendments to the University's governing documents with respect to election/appointment processes, term limits, and other matters as may be appropriate or necessary to achieve the objectives set forth above.

**Revised Proposal of Residence Hall Room Rates and Undergraduate Apartment Rates***Rate/Person/Semester*

<b>Room Description</b>	<b>Number of Occupants</b>	<b>2019/20 Rate</b>	<b>2020/21 Rate (Approved February 2020)</b>	<b>2020/21 Fall Semester Proposed Rate for Shortened Residency</b>	<b>2020/21 Fall Semester Proposed Rate Change from Approved Rate</b>	<b>2020/21 Spring Semester Rate (Unchanged)</b>
Standard Double	2	\$3,277	\$3,427	\$2,820	(\$607)	\$3,427
Standard Double/Bath	2	3,455	3,614	2,974	(640)	3,614
Renovated Double	2	3,628	3,828	3,150	(678)	3,828
Small Double	2	2,455	2,568	2,113	(455)	2,568
Triple	3	2,950	3,086	2,540	(546)	3,086
Triple/Bath	3	3,280	3,427	2,820	(607)	3,427
Quad	4	2,950	3,086	2,540	(546)	3,086
Quad/Bath	4	3,280	3,427	2,820	(607)	3,427
Quad as Triple	3	3,280	3,427	2,820	(607)	3,427
Standard Single	1	4,460	4,665	3,839	(826)	4,665
Standard Single/Bath	1	4,550	4,760	3,918	(842)	4,760
Renovated Single	1	4,550	4,805	3,955	(850)	4,805
Eastview Single/Bath	1	5,540	5,795	4,769	(1,026)	5,795
Eastview Large Single/Bath	1	5,945	6,220	5,119	(1,101)	6,220
RA Rate	1	2,050	2,155	1,774	(381)	2,155
Standard Double Suite	2	3,875	4,055	3,337	(718)	4,055
Standard Double Suite as Triple	3	3,280	3,427	2,820	(607)	3,427
Standard Single Suite, 1/bedroom	4	4,520	4,730	3,893	(837)	4,730
Double Suite	2	4,160	4,350	3,580	(770)	4,350
Single Suite	1	5,415	5,665	4,662	(1,003)	5,665
<b>University Park, Nittany Apartment</b>						
<i>Rate/Person/Semester*</i>						
2 Bedroom Garden	4	3,975	4,160	3,424	(736)	4,160
4 Bedroom Garden	4	4,460	4,665	3,839	(826)	4,665
4 Bedroom Townhouse	4	4,630	4,845	3,987	(858)	4,845
<b>Erie, Behrend Apartment</b>						
<i>Rate/Person/Semester*</i>						
2 Bedroom Garden	4	3,975	4,160	3,424	(736)	4,160
<b>Harrisburg &amp; Abington Apartment</b>						
<i>Rate/Person/Semester*</i>						
Apartments-Bedroom Single	4	4,785	5,050	4,156	(894)	5,050
Apartments-Bedroom Double	6	4,210	4,440	3,654	(786)	4,440
Apartments-Bedroom Triple	9	3,790	4,000	3,292	(708)	4,000
<b>Beaver, Greater Allegheny, Hazleton, &amp; Mont Alto</b>						
Standard Double	2	3,090	3,150	2,592	(558)	3,150
Standard Double Suite	2	3,650	3,725	3,066	(659)	3,725
Townhouse Double	2	3,255	3,320	2,732	(588)	3,320

Requests for single occupancy of rooms intended for double occupancy will be priced at 25 percent more than the double occupancy rate for that room type.

**Approved University Park Graduate Apartment Rates**

2020/21 Rates approved by the Board of Trustees in September 2019

<b>Room Description</b>	<b>2019/20 Rate</b>	<b>2020/21 Rate</b>
<b>University Park, Graduate Family Apartment</b>		
<i>Rate/Month*</i>		
White Course 1 Bedroom	\$1,145	\$1,168
White Course 2 Bedroom	1,295	1,321
White Course 3 Bedroom	1,430	1,459
White Course 3 Bedroom w/2 Bath	1,445	1,474
<b>University Park, Graduate Apartment</b>		
<i>Rate/Person/Month*</i>		
White Course 4 Bedroom	\$920	\$938

*\*Apartment rate includes utilities*



**Fall Semester 2020  
Proposed Board Plan**

<b>Meal Plan</b>	<b>2019/20 Rate</b>	<b>Fall Semester 2020 Proposed Rate</b>	<b>Fall Semester 2020 Proposed Change from 2019/20</b>	<b>Fall Semester 2020 Dining Dollars</b>
<b>Plan 1</b>	\$2,070	\$1,844	(\$226)	\$655
<b>Plan 2</b>	2,399	2,193	(206)	1,004
<b>Plan 3</b>	2,665	2,476	(189)	1,287

**Spring Semester 2021  
Approved Board Plan**

<b>Meal Plan</b>	<b>2019/20 Rate</b>	<b>Spring Semester 2021 Approved Rate</b>	<b>Spring Semester 2021 Change from 2019/20</b>	<b>Spring Semester 2021 Dining Dollars</b>
<b>Plan 1</b>	\$2,070	\$2,100	\$30	\$655
<b>Plan 2</b>	2,399	2,449	50	1,004
<b>Plan 3</b>	2,665	2,732	67	1,287

**2020/2021**

**Room and Board Rate Proposal  
Fall Semester 2020  
Housing and Food Services**

- Change in Length of Fall Semester Residency
- Revised Annual Budget
- Revised Proposal of Room and Board Rates



## FALL SEMESTER 2020

Housing and Food Services is a self-supporting auxiliary enterprise. As such, monies paid by students and guests for food and lodging are the only funds available to pay all operating expenses, building loans, and interest payments as well as costs for major maintenance and facility renewal. Neither state funds nor tuition dollars are used for construction, maintenance of facilities, or the operations of the housing and dining program.

The room and board charges for Fall Semester 2020 and Spring Semester 2021 were approved by the Board of Trustees on February 21, 2020.

As a result of the announcement on June 14, 2020 that campus-based, residential instruction for Fall Semester will end on November 20, 2020, with the remainder of the semester – including final examinations – being delivered remotely and online, residence halls will close effective November 22, 2020.

The previously approved room and board charges for Fall Semester 2020 will need to be reduced to reflect the reduction in the length of on-campus residency for the semester.

The rate changes for Fall Semester 2020 will reduce the amount of budgeted revenue for the fiscal year. Budgeted expenses have also been revised to reflect more up-to-date information.

**Revised Annual Budget  
HFS Room and Board Rate Planning**

	<b>2019/20 Approved Budget</b>	<b>2020/21 Approved Budget</b>	<b>2020/21 Revised Budget</b>	<b>Change from Approved to Revised Budget</b>
Revenue	\$252,786,000	\$257,555,000	\$232,922,000	(24,633,000)
Food	28,483,000	29,050,000	26,194,000	(2,856,000)
Payroll and Related	58,969,000	61,198,000	57,398,000	(3,800,000)
Utilities	17,991,000	18,135,000	17,477,000	(658,000)
Maintenance, Supplies, Services	26,236,000	26,573,000	27,527,000	954,000
Residence Life Programming	13,562,000	13,997,000	12,911,000	(1,086,000)
<b>Subtotal</b>	<b>\$145,241,000</b>	<b>\$148,953,000</b>	<b>\$141,507,000</b>	<b>(7,446,000)</b>
Operating Margin	\$107,545,000	\$108,602,000	\$91,415,000	(17,187,000)
University Administrative Fee	12,300,000	12,000,000	9,000,000	(3,000,000)
Deferred Maintenance & Capital	47,827,000	45,342,000	31,155,000	(14,187,000)
Debt Service	47,418,000	51,260,000	51,260,000	0
<b>Subtotal</b>	<b>\$107,545,000</b>	<b>\$108,602,000</b>	<b>\$91,415,000</b>	<b>(17,187,000)</b>
Net Margin	\$0	\$0	\$0	\$0

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