



**THE PENNSYLVANIA STATE UNIVERSITY
BOARD OF TRUSTEES
PUBLIC MEETING**

**Friday, September 17, 2021
1:00 pm**

In-person and via ZOOM

1. Chair Welcome/Remarks

2. Call to Order

3. Action Items

- a) Approval of *Minutes* from July 15, 2021 Meeting
- b) Proposed Election of Directors of the Corporation for Penn State

Finance, Business and Capital Planning:

- c) Proposed Appointment of Non-University Employees to the Penn State Investment Council
- d) Proposed Approval of Long-Term Investment Pool Spending Rate Change
- e) Consideration of Request for Fiscal Year 2022-23 Appropriations for Operations
- f) Proposed Real Estate Divestiture at 5042 Yale Drive, Penn State Behrend
- g) Proposed Real Estate Divestiture at 5588 Jordan Road, Penn State Behrend
- h) Proposed Real Estate Divestiture at 5516 Jordan Road, Penn State Behrend
- i) Proposed Approval of Graduate Apartment Rates, University Park
- j) Proposed Naming of the Knowledge Center to be the “Samuel P. Black III and Sumi James-Black Knowledge Center”

Governance and Long-Range Planning:

- k) Election of At-Large Membership to the Executive Committee
- l) Proposed Approval of Granting of Trustee Emeritus Status

Subcommittee on Compensation:

- m) Presidential Compensation

4. Informational Report on the Penn State Alumni Association

Paul Clifford, Chief Executive Officer, will provide an informational update.

5. President’s Report and Discussion

6. Closing Remarks/Announcements

9/17/2021 Action Items

a) **Approval of Minutes from the July 15, 2021 Meeting**

b) **Proposed Election of Directors of The Corporation for Penn State**

According to the *Bylaws* of The Corporation for Penn State, the members of the Corporation shall meet annually for the purpose of electing directors. The Pennsylvania State University is the sole member of The Corporation for Penn State.

Will the Board of Trustees adopt the following resolution:

RESOLVED, That the following persons be elected to the Board of Directors of The Corporation for Penn State:

Eric J. Barron	Nicholas P. Jones
Kathleen L. Casey	David M. Kleppinger
Mark H. Dambly	William F. Oldsey
Frank T. Guadagnino	Matthew W. Schuyler
M. Abraham Harpster	Sara F. Thorndike
Randolph B. Houston Jr.	

c) **Proposed Appointment of Non-University Employees to the Penn State Investment Council**

In September 2000, Penn State's Board of Trustees established the Penn State Investment Council to provide direct oversight of the University's endowment and long-term investment program. The Penn State Investment Council, appointed by the Board of Trustees, includes the: Senior Vice President for Finance and Business/Treasurer of the University (Chair); Chief Investment Officer, Office of Investment Management; and five to nine non-University members (at least one of whom is a voting or emeriti member of the Board of Trustees). The terms are staggered as follows:

2021

Blake Gall, President, MicroPlusPlus Investment Management (Boalsburg, PA)
Edward R. Hintz, Jr., President, Hintz Capital Management, Inc. (Morristown, NJ)
Joseph B. Markovich, Managing Director, J.P. Morgan Private Bank (New York, NY)

2022

Carmen J. Gigliotti, Managing Director (Retired), Private Equities, DuPont Capital Management (Bonita Springs, FL)
Colleen Ostrowski, Senior Vice President and Treasurer, Visa (Foster City, CA)
James P. Brandau, Senior Vice President, Brown Brothers Harriman & Co., Philadelphia, PA

2023

J. David Rogers, Chief Executive Officer, RPO, LLC (Darien, CT)
J. Alex Hartzler, Managing Partner and Founder, WCI Partners, L.P. (Harrisburg, PA)

It is proposed to re-appoint Blake Gall, Edward R. Hintz, Jr. and Joseph B. Markovich, non-University employees, to membership with terms expiring in 2024.

Will the Board of Trustees adopt the following resolution:

RESOLVED, That Blake Gall, Edward R. Hintz, Jr. and Joseph B. Markovich, non-University employees, be appointed to the Penn State Investment Council for a terms\ending in 2024.

d) **Proposed Approval of Long-Term Investment Pool Spending Rate Change**

Beginning with fiscal year 2022-2023, it is recommended by the Penn State Investment Council that the University increase the Long-Term Investment Pool annual spending rate from 4.5% to 5.0%, by using the 5-year average market value of the Long-Term Investment Pool to calculate the spending distribution.

Will the Board of Trustees adopt the following resolution:

RESOLVED, That the University adopt a Long-Term Investment Pool annual spending rate of 5% calculated using a 5-year average market value beginning with fiscal 2022-2023 year.

e) **Consideration of Request for Fiscal Year 2022-23 Appropriations for Operations**

Will the Board of Trustees adopt the following resolution:

RESOLVED, That the Officers of the University are authorized to submit to the Legislature, appropriate departments, and offices of the Commonwealth of Pennsylvania, a State Appropriation Request for fiscal year 2022-2023 in the amount of \$358,200,000.

f) **Proposed Real Estate Divestiture at 5042 Yale Drive, Penn State Behrend**

In 1997, the University acquired three properties adjoining Penn State Behrend to support future expansion. The residential portions of the associated structures are vacant. Consistent with the direction received from the Penn State Board of Trustees Real Estate Task Force, the administration has reviewed the strategic need for these properties and determined they are no longer needed.

In July of 1997, the University acquired a 0.458-acre property, including a single-story house 1,460 square foot residential structure adjoining Penn State Behrend, located at 5042 Yale Drive, Harborcreek Township, Erie County. The sale price is \$107,000.

Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the Board of Trustees approves the sale of 0.458 acres with building located at 5042 Yale Drive, Harborcreek Township, Erie County, to Sergey G. Kovalevich in the amount of \$107,000.

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

g) **Proposed Real Estate Divestiture at 5588 Jordan Road, Penn State Behrend**

In 1997, the University acquired three properties adjoining Penn State Behrend to support future expansion. The residential portions of the associated structures are vacant. Consistent with the direction received from the Penn State Board of Trustees Real Estate Task Force, the administration has reviewed the strategic need for these properties and determined they are no longer needed.

9/17/2021 Action Items

In November of 1997, the University acquired a 1.98-acre property, including a single-story house 1,800 square foot residential structure adjoining Penn State Behrend, located at 5588 Jordan Road, Harborcreek Township, Erie County. The sale price is \$167,500.

Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the Board of Trustees approves the sale of 1.98 acres with building located at 5588 Jordan Road, Harborcreek Township, Erie County, to Valeriy and Svetlana Moshkivskiy in the amount of \$167,500.

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

h) Proposed Real Estate Divestiture at 5516 Jordan Road, Penn State Behrend

In 1997, the University acquired three properties adjoining Penn State Behrend to support future expansion. The residential portions of the associated structures are vacant. Consistent with the direction received from the Penn State Board of Trustees Real Estate Task Force, the administration has reviewed the strategic need for these properties and determined they are no longer needed.

In January of 1997, the University acquired a 0.4591-acre property, including a single-story house 1,248 square foot residential structure adjoining Penn State Behrend, located at 5516 Jordan Road, Harborcreek Township, Erie County. The sale price is \$102,000.

Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the Board of Trustees approves the sale of 0.4591 acres with building located at 5516 Jordan Road, Harborcreek Township, Erie County, to Fdk Rentals & Remodeling LLC in the amount of \$102,000.

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

i) Proposed Approval of Graduate Apartment Rates, University Park

There is no proposed increase to monthly lease rates for graduate student apartments at University Park for the 2022-2023 academic year, however, the rate will no longer include a parking permit. The proposed rates are otherwise the same as the 2021-2022 academic year.

Will the Board of Trustees adopt the following resolution:

RESOLVED, That the monthly lease rates for graduate apartments at University Park for 2022-2023 reflect a 0% increase but such rates shall exclude a parking permit.

j) **Proposed Naming of the Knowledge Center to be the “Samuel P. Black III and Sumi James-Black Knowledge Center”**

Following the recommendation of the Facilities Naming Committee, the University is requesting that the Knowledge Center at Penn State Behrend be renamed the “Samuel P. Black III and Sumi James-Black Knowledge Center” in recognition of an irrevocable \$3 million pledge from Samuel P. Black III and Sumi James-Black.

Will the Board of Trustees adopt the following resolution:

RESOLVED, That the Knowledge Center at Penn State Behrend be named “Samuel P. Black III and Sumi James-Black Knowledge Center.”

k) **Election of At-Large Membership to the Executive Committee**

In accordance with the *Bylaws* (Article III; Section 3.02), at-large members for appointment to the Executive Committee can be nominated by the Committee on Governance and Long-Range Planning, with election by the Board, as necessary to have an executive committee of thirteen (13) members.

Will the Board of Trustees adopt the following resolution:

RESOLVED, That J. Alex Hartzler be elected as an at-large member to the Executive Committee of the Board of Trustees, effective immediately.

l) **Proposed Approval of Granting of Trustee Emeritus Status**

In accordance with *Standing Order IX*, the Committee on Governance and Long-Range Planning will make a report and accompanying recommendations to the Board with respect to the granting of trustee emeritus status.

m) **Presidential Compensation**

The Operating Guidelines for the Subcommittee on Compensation provide that on annual basis the Subcommittee on Compensation will recommend to the Board of Trustees, based upon an evaluation of performance goals and objectives, the President’s annual compensation, including salary and incentive compensation if applicable.

Will the Board of Trustees adopt the following resolutions:

WHEREAS, The Subcommittee on Compensation has reviewed the Presidential performance goals and objectives as well as market and equity considerations; and

WHEREAS, The Subcommittee on Compensation recommends annually to the Board of Trustees consideration of salary adjustments to the President’s salary based upon the President’s performance in light of established goals and objectives;

THEREFORE BE IT RESOLVED, That the Board of Trustees approves the salary terms for Eric J. Barron as recommended by the Subcommittee on Compensation and presented to the Board of Trustees in executive session.