

## MINUTES OF MEETING

### **BOARD OF TRUSTEES**

VOLUME 322

September 18, 2020

A meeting of the Board of Trustees was held via video conference at 1:00 p.m. on September 18, 2020.

The following Trustees were present: Dambly (chairman), Schuyler (vice chairman), Barron, Amoros, Brown, Casey, Culler, Dandrea, Delligatti, Detwiler, Dietrich, Doran, Dunn, Fenza, Han, Harpster, Hoffman, Kleppinger, Lubert, Lubrano, Oldsey, Paterno, Pope, Potts, Rakowich, Rapp, Redding, Rivera, Schneider, Short, Stanell, Tribeck, and Wagman. The Governor's non-voting representative, Mr. Shipley, was in attendance.

Present by invitation were Emeriti Trustees Jones, Myers, and Riley; Faculty Senate representatives Clements, Mangel, Rowland, Seymour, Szczygiel and Williams; student representatives Kelliher, McKay, Viramgama, Walsh, White and Zhao; Constituent Representatives Belkowski, Houston, and Sturges; ALC Chair Edmondson; and staff members Clifford, Dunham, Gray, Guadagnino, Harvey, Jones, Lokman, Massini, and Ortiz.

Chair Dambly expressed the board's gratitude to faculty and staff who have faced unprecedented challenges and a relentless workload over the past six months. Faculty reinvented courses while maintaining the focus on instructional quality, researchers reimaged their workspace to move the research enterprise to new heights and the staff performed countless jobs that allows the University to operate safely. He thanked Director Kelly Wolgast and the COVID-19 Operations Control Center for their tireless efforts regarding safety and communications. He commended Penn State students for taking personal responsibility and committing to masking up, physically distancing and modeling good community practices.

Chair Dambly recognized Trustee Brandon Short and the Board's Oversight Task Force on Racism, Bias and Community Safety for their weekly meetings with the leadership of each of President Barron's racism, bias and community safety initiatives, as well as hearing from members of the university community on issues of race and educational equity, to make Penn State more equitable, inclusive and safe for all faculty, staff and students who are confronted by racism and bias, and to fight intolerance, model inclusivity and embrace the power of diversity and belonging.

Chair Dambly welcomed Dr. Jacqueline Edmondson, Chancellor and Chief Academic Officer at Penn State Greater Allegheny, as the new Academic Leadership Council chair. He welcomed the new slate of Administrative Fellows: Andrea Tapia, professor of Information Sciences and Technology, will spend her year with Nick Jones, Penn State Executive Vice President and Provost; Linghao Zhong, professor of Chemistry and Assistant Director of Academic Affairs at Penn State Mont Alto will be with Madlyn Hanes, Senior Vice president for Commonwealth Campuses and Executive Chancellor, and Moradeyo Olorunnisola, Director of Admissions, Schreyer Honors College, will spend her year with Tracey Huston, Vice President for Outreach.

Chair Dambly announced Don Welch has been appointed to serve as Vice President for Information Technology and Chief Information Officer on a permanent basis, effective, October 1, 2020, following a national search. He announced Tracy Langkilde, Penn State professor and head of the Department of Biology, will begin her appointment on October 1 as the Verne M. Willaman Dean of the Eberly College of Science, following a national search. He also announced George Grant Jr., professor and dean of the College of Community and Public Service at Grand Valley State University in Michigan, has been named chancellor of Penn State Berks, following a national search, and will begin his appointment on January 4, 2020, succeeding Keith Hillkirk, who will retire at the end of December after more than 15 years of service to the University.

Chair Dambly noted that the Board met in Executive Session earlier in the day to discuss various privileged matters and called the meeting to order.

Shannon Harvey, Associate Secretary of the Board, reported that all Trustees were present except for Cotner, Hartzler, Pegula, and Wolf, and that the number present for a quorum was satisfied. Chair Dambly proceeded with the meeting.

### **Action Items**

Chair Dambly noted that there were twelve Action Items for consideration before the Board.

- A. Approval of the *Minutes* of the meeting of the Board held on July 17, 2020. A motion to approve Action Item A was seconded and approved by the Board.
- B. Proposed Election of Directors of The Corporation for Penn State. A motion to approve the following resolution was seconded and approved by the Board

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

Eric J. Barron  
Kathleen L. Casey  
Mark H. Dambly  
David J. Gray  
Frank T. Guadagnino  
Nicholas P. Jones

David M. Kleppinger  
Ira M. Lubert  
William F. Oldsey  
Matthew W. Schuyler  
Robert J. Tribeck

- C. Proposed Renaming of the Beaver Community Center at Penn State Berks "Beaver Athletics and Wellness Center"

The Committee on Finance, Business and Capital Planning recommended that the Board of Trustees approve resolution C. David Gray, Senior Vice President of Finance and Business/Treasurer provided supporting remarks and context for this item. A motion to approve the following resolution was seconded and approved by the Board.

RESOLVED, That the Beaver Community Center at Penn State Berks be renamed "Beaver Athletics and Wellness Center."

- D. Proposed Appointment of Non-University Employees to the Penn State Investment Council

The Committee on Finance, Business and Capital Planning recommended that the Board of Trustees approve resolution D. David Gray provided supporting remarks and context for this item. A motion to approve the following resolution was seconded and approved by the Board.

RESOLVED, That J. David Rogers and J. Alex Hartzler, non-University employees, are appointed to the Penn State Investment Council for terms ending in 2023.

- E. Proposed Consideration of Request for FY2021-22 Appropriation for Operations

The Committee on Finance, Business and Capital Planning recommended that the Board of Trustees approve resolution E. President Barron provided supporting remarks and context for this item. A motion to approve the following resolution was seconded and approved by the Board.

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 2021-2022 in the amount of \$353,070,000.

F. Proposed Final Plan Approval and Authorization to Expend Funds, Engineering Research and Teaching Space 2, University Park

The Committee on Finance, Business and Capital Planning recommended that the Board of Trustees approve resolution F. David Gray provided supporting remarks and context for this item. A motion to approve the following resolution was seconded and approved by the Board.

RESOLVED, That the final plans for the Engineering Research and Teaching Space 2, as designed by Payette of Boston, Massachusetts, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds and award contracts to accomplish the project is approved in the amount of \$88,000,000.

G. Proposed Authorization to Expend Funds, West Campus Chiller Plant Expansion, University Park

The Committee on Finance, Business and Capital Planning recommended that the Board of Trustees approve resolution G. David Gray provided supporting remarks and context for this item. A motion to approve the following resolution was seconded and approved by the Board.

WHEREAS, Article V, Section 5.09(a)(iii)(7) requires the approval of the Board of Trustees for capital projects under \$10 million in cost that are bond-financed, and

WHEREAS, The proposed West Campus Chiller Plan Expansion is recommended by the Administration to be funded with bond financing;

THEREFORE, BE IT RESOLVED, That authorization to expend funds for the West Campus Chiller Plant Expansion, as designed by Trefz Engineering of Horsham, Pennsylvania, is approved in the amount of \$9,500,000.

H. Proposed Amended Authorization for East Campus Land Transfer, Penn State Health Milton S. Hershey Medical Center

The Committee on Finance, Business and Capital Planning recommended that the Board of Trustees approve resolution H. David Gray provided supporting remarks and context for this item. A motion to approve the following resolution was seconded and approved by the Board.

WHEREAS, At its May 6, 2019 meeting the Board of Trustees authorized the transfer of certain parcels of real estate (together with improvements thereon) owned by the University, comprising what is described as the East Campus of the Penn State Health Milton S. Hershey Medical Center Campus (shown as lots 4, 6, 7 and 8 on the "PSHMC and College of Medicine Lot Layout Plan with Site Plan, dated 5-5-07") to Penn State Health or its controlled designee, under and subject to restrictions as set forth in the *Bylaws* of Penn State Health in consideration for the payment of \$18 million.

WHEREAS, Lot 4 of the East Campus contains a 155,264 square foot improvement constructed in 2000 known as the Academic Support Building which houses critical academic support offices in service to both the College of Medicine

and the Penn State Health Milton S. Hershey Medical Center as well as associated parking lots and storm water facilities with an approximate value of \$11 million (the "ASB Parcel").

WHEREAS, Upon further due diligence and analysis of the College of Medicine's current and planned long-term on-campus space requirements in support of its academic missions, it was deemed in the University's best interest to retain the ASB Parcel, pending further analysis of the needs of the College of Medicine.

WHEREAS, On September 13, 2019, the officers of the University were authorized by the Board of Trustees to enter into such subdivision applications and agreements, and execute such deeds as were necessary to (a) revise the parameters of Lot 4 to exclude the ASB Parcel, (b) convey the remaining acreage of Lot 4 as revised to Penn State Health for consideration based on the pro rata share of the acreage conveyed, and (c) amend the total consideration payable by Penn State Health for Lots 4, 6, 7 and 8 to an amount not to exceed \$10.8 million.

WHEREAS, Upon further due diligence, the University and Penn State Health discovered that the parcels of land containing a medical office building located at 845 Fishburn Road, Hershey, Derry Township, Pennsylvania were inadvertently excluded from the description of the properties to be conveyed to Penn State Health in the May 6, 2019 Resolution and the September 13, 2019 Resolution of the University Board of Trustees as part of the East Campus of the Penn State Milton S. Hershey Medical Center Campus conveyance even though the approved consideration of up to \$10.8 million included the Fishburn Road property.

WHEREAS, The University now wishes to amend the prior resolutions authorizing the transfer of certain parcels of real estate (together with improvements thereon) owned by the University, comprising what is described as the East Campus of the Penn State Health Milton S. Hershey Medical Center Campus (shown as lots 4, 6, 7 and 8 on the "PSHMC and College of Medicine Lot Layout Plan with Site Plan, dated 5-5-07" less the ASB Parcel and hereinafter the "East Campus") to Penn State Health or its controlled designee, to also include two tracts of real property located at 845 Fishburn Road, Hershey, Derry Township, Pennsylvania comprising 2.84 acres with improvements to include a medical office building of 19,910 square feet ("Fishburn Road Parcels").

THEREFORE, BE IT RESOLVED, That the officers of the University are hereby authorized to enter into such agreements and execute such deeds as are necessary to convey the East Campus to Penn State Health for \$8,864,466.00 and the Fishburn Road Parcels to Penn State Health for \$669,189.00.

I. Proposed Approval of Graduate Apartment Rates, University Park

The Committee on Finance, Business and Capital Planning recommended that the Board of Trustees approve resolution I. David Gray provided supporting remarks and context for this item. A motion to approve the following resolution was seconded and approved by the Board.

RESOLVED, That the monthly lease rates for graduate apartments at University Park for the 2020-21 academic year reflect a 0% increase as shown in Appendix I attached hereto and which are part of this resolution.

[Appendix I]

J. Proposed Approval of Amendments to the Penn State *Bylaws* and *Standing Orders*

The Committee on Governance and Long-Range Planning recommended that the Board of Trustees approve resolution J. A motion to approve the following resolution was seconded and approved by the Board.

RESOLVED, That the Penn State University *Bylaws* and *Standing Orders* be amended as set forth and shown in Appendix II.

[Appendix II]

K. Election of At-Large Membership to the Executive Committee

The Committee on Governance and Long-Range Planning recommended that the Board of Trustees approve resolution K. A motion to approve the following resolution was seconded and approved by the Board.

RESOLVED, That M. Abraham Harpster 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

The Committee on Governance and Long-Range Planning recommended that the Board of Trustees approve resolution L. A motion to approve the granting of emeritus status of Robert Jubelirer, was seconded and approved by the Board, with Trustee Lubrano voting no.

Emeritus status was automatically conferred on Trustee Keith E. Masser, whose term on the Board expired July 31, 2020, given his role as past Board chair.

Chair Dambly introduced Paul Clifford, Chief Executive Officer and Secretary/Treasurer of the Penn State Alumni Association for an update on the Alumni Association's activities. Clifford stated the year 2020 celebrates 150 years since the Association's founding in 1870 and despite the COVID-19 pandemic, the Penn State Alumni Association remains the largest dues-paying organization with 174,697 members as of July 1. This number indicates a growth of over 1,000 members and is the fifth highest membership year in Alumni Association history. In May of 2020, the Alumni Association offered a three-month complimentary membership to those alumni who were impacted by economic uncertainty as a result of COVID-19. 2158 alumni (that number was not included in the increased membership total) accepted this offer and those members are receiving access to career services, special communications that outline membership benefits, invitations to engage in virtual programs, and additional opportunities to connect with each other, and with the University. Clifford referenced the 2020 Strategic Plan and the six program pillars against which they measure their impact which include: spreading the good news of Penn State and her alumni, building and sustaining lifelong relationships, harnessing the power of the Penn State network, supporting and enhancing the student experience, celebrating academic achievement, and serving as tradition keepers. Clifford offered many examples of activities that supported the mission and goals.

**President's Report and Discussion**

Dr. Barron delivered a report titled *Challenging Times Matched to Extraordinary Efforts*.

For companion slides, reference [Appendix III]

President Barron introduced two guests who shared their fall semester teaching experiences, both in-person and remote, during this pandemic-era. Renee Bishop-Pierce, chair of the Faculty Affairs Committee in the University Faculty Senate, is teaching Biology 110 to 41 students at Penn State First Shanghai, and

Peggy Van Meter, Associate Professor of Education in Educational Psychology, is teaching EDPSY 11 to 125 students at the Bryce Jordan Center. They both presented the educational challenges and successes of COVID-mixed courses.

The meeting is available in its entirety at <https://youtu.be/tKMv8D4xMA0>

**Announcements by the Chairman of the Board of Trustees**

Chair Dambly acknowledged and thanked Secretary of Education Pedro Rivera for his service to the Board since being appointed by Governor Wolf in 2015, stating Secretary Rivera has been a strong advocate for advancing education opportunities to serve Pennsylvania students across the Commonwealth. Secretary Rivera thanked the Board and President Barron for supporting the administration's mission and vision to provide educational access and opportunities as well as raising equity and breaking systemic racism and barriers. Secretary Rivera thanked the Board for focusing first and foremost on the students of Penn State, the opportunities for them moving forward, and the improvement of the Commonwealth.

Chair Dambly called for other matters to come before the Board. There being no other business, the public meeting was adjourned at 2:37 p.m.

Respectfully submitted,

Frank T. Guadagnino  
Secretary, Board of Trustees

**Recommended Monthly Graduate Apartment 2021/22 Rates**

	<b>2020/21 Rate</b>	<b>2021/22 Proposed Rate</b>	<b>Amount of Increase</b>	<b>Increase Percentage</b>
1 Bedroom	\$1,168	\$1,168	\$0	0.00%
2 Bedroom	\$1,321	\$1,321	\$0	0.00%
3 Bedroom	\$1,459	\$1,459	\$0	0.00%
3 Bedroom w 1.5 baths	\$1,474	\$1,474	\$0	0.00%
Quad Apartment <i>(per person)</i>	\$938	\$938	\$0	0.00%

AMENDED AND RESTATED

BYLAWS

of

THE PENNSYLVANIA STATE UNIVERSITY

Adopted May 6, 2016

Amended November 4, 2016

Amended July 21, 2017

Amended November 10, 2017

Amended May 3, 2019

Amended November 15, 2019

[Amended May 8, 2020](#)

[\[Amended September 18, 2020\]](#)



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# **THE PENNSYLVANIA STATE UNIVERSITY**

## **Amended and Restated Bylaws**

### **ARTICLE I**

#### **NAME AND PURPOSE**

**Section 1.01     Name.** The name of the corporation is The Pennsylvania State University (hereinafter referred to as the “University”), existing under the Pennsylvania Nonprofit Corporation Law of 1988.

**Section 1.02     History.** The University was created as the Farmers’ High School by special act of the Pennsylvania legislature on February 22, 1855. The name of the institution has been changed successively to the Agricultural College of Pennsylvania in 1862, the Pennsylvania State College in 1874 and The Pennsylvania State University in 1953. On August 28, 1878, after the enactment of Pennsylvania’s first corporation law, and pursuant to the provisions thereof, the institution elected to be subject to such corporation law and thereafter, has been existing under such law, as such law has been amended, supplemented and modified from time to time.

**Section 1.03     Purpose.** The University was formed in 1855 as an institution for the education of youth in the various branches of science, learning and practical agriculture, as they are connected with each other. The University currently exists as a multi-campus public research university that educates students from Pennsylvania, the nation and the world, and improves the wellbeing and health of individuals and communities through integrated programs of teaching, research, and service.

## **ARTICLE II**

### **TRUSTEES**

**Section 2.01 Number, Election and Term of Office.** The affairs of the University shall be managed by a Board of Trustees.

(a) The number of Trustees which shall constitute the full Board of Trustees shall be fixed at thirty-eight (38), as set forth herein.

(i) Ex Officio Voting Members. The Secretary of Education, the Secretary of Agriculture and the Secretary of Conservation and Natural Resources shall be *ex officio* voting members of the Board of Trustees.

(ii) Ex-Officio Non-Voting Members. The Governor of the Commonwealth of Pennsylvania and the President of the University shall be *ex-officio* non-voting members of the Board of Trustees.

(iii) Members Appointed by the Governor. Six [voting members of the Board of](#) Trustees shall be appointed by the Governor of the Commonwealth of Pennsylvania.

(iv) Members Elected by the Alumni. ~~Nine~~[Nine voting members of the Board of](#) Trustees shall be elected by the alumni and former students of the University.

(v) Members Elected by Agricultural Organizations. ~~Six~~[Six voting members of the Board of](#) Trustees, who shall be members of and represent organized agricultural societies and associations, shall be elected by three delegates from each county in the Commonwealth representing organized agricultural societies or associations of the said county.

(vi) Members Elected Representing Business and Industry. ~~Six trustees~~Six voting members of the Board of Trustees representing business and industry endeavors shall be elected by the Board of Trustees.

(vii) A Member Elected Representing the Student Body. In May 2015 and bi-annually thereafter, a ~~trustee~~voting member of the Board of Trustees representing the student body (the “Student Trustee”) shall be elected by the Board of Trustees.

(viii) A Member Elected Representing the Faculty. In May 2015 and every three years thereafter, a ~~trustee~~voting member of the Board of Trustees representing the faculty shall be elected by the Board of Trustees.

(ix) A Member Representing the Penn State Alumni Association. Commencing July 1, 2015, and bi-annually thereafter, the immediate past President of the Penn State Alumni Association shall become an *ex officio* voting member of the Board of Trustees.

(x) At-Large Members Elected by the Board of Trustees. In May 2015 three at-large voting members shall be elected by the Board of Trustees. Thereafter, one at-large ~~trustee~~voting member shall be elected annually by the Board of Trustees.

(b) Each Trustee shall serve for a term of three (3) years, except that the Student Trustee and the Trustee who serves ex-officio as the immediate past President of the Penn State Alumni Association shall each have a two (2) year term. No individual may serve as a Trustee for more than a total of twelve years, whether or not in consecutive terms; provided, however, that

(i) Any Trustee who has served for twelve years or more as of November 15, 2019 may complete

the term for which such Trustee was most recently elected or appointed but shall not be eligible for subsequent election or appointment as a Trustee; (ii) Any Trustee as of November 15, 2019 whose next reelection or reappointment would cause such Trustee, if such Trustee serves for the entirety of such new term, to exceed twelve total years of service may complete the term for which such Trustee is reelected or reappointed but shall not be eligible for subsequent election or appointment as a Trustee; and (iii) ~~This~~this subsection (b) shall not apply to any Trustee who serves in an *ex officio* capacity. Trustees shall be separated into three groups of substantially equal number so that the terms of one third of the Trustees shall expire each year. Each Trustee shall serve until his or her term expires, and thereafter until such Trustee's successor is duly elected or appointed, or until such Trustee's earlier death or resignation.

**Section 2.02     Qualifications for Membership.** (a) \_\_\_\_ Members of the Board of Trustees shall be natural persons of full age who need not be residents of the Commonwealth of Pennsylvania. A person who is employed in any capacity by the University shall not be eligible to serve as a member of the Board of Trustees. This qualification for membership shall not apply to a person who is an *ex officio* member of the Board of Trustees, a trustee elected pursuant to Section 2.01(a)(viii), or to a person who is a student employed part-time by the University. A person shall not be eligible to serve as a member of the Board of Trustees for a period of five (5) years from the July 1 coincident with or next following the date of (a) last employment in any capacity by the University or (b) the last day of such person's employment with the Commonwealth of Pennsylvania as Governor, Lieutenant Governor, Attorney General, Auditor General or State Treasurer. This qualification for membership shall not apply to a person who is an *ex officio* member of the Board of Trustees, nor to a person who is a student employed part-time by the University. Only graduates of The Pennsylvania State University who shall have

received an associate degree, a bachelor's degree, or an advanced degree from the University shall be eligible to serve as a trustee elected by the alumni. No member of the faculty or the governing board of any other college or university in Pennsylvania shall be eligible to serve as a trustee elected by the alumni.

(b)      The Student Trustee shall be a full-time undergraduate, graduate or professional student, in good academic standing and in a degree seeking program at the University.

**Section 2.03     Removal.** Any member of the Board of Trustees other an *ex officio* member may be removed from his or her position as a Trustee in accordance with this Section 2.03.

(a) Any Trustee who believes that another Trustee has breached his or her fiduciary duty to the University shall raise the issue with the Chair of the Board of Trustees or the chairperson of the ~~Governance and Long Range Planning Committee~~committee on governance and long-range planning.

(b) Removal of a Trustee shall require a joint proposal to the Board of Trustees by the chairperson of the Board of Trustees and the chairperson of the ~~Governance and Long Range Planning Committee~~committee on governance and long-range planning that the Board of Trustees take action to remove a Trustee on the basis that the Trustee has breached his or her fiduciary duty to the University. Such joint proposal shall be furnished in writing to each member of the Board of Trustees not less than 30 days prior to the meeting of the Board of Trustees at which such matter is to be considered. Removal shall require the determination of not less than two-thirds of the Trustees present at a duly called meeting that the Trustee has breached his or her fiduciary duty.



(c) In the event that the Chair of the Board of Trustees or the chairperson of the ~~Governance and Long Range Planning Committee~~committee on governance and long-range planning is the subject of a removal action under this Section 2.03, the Vice Chair of the Board of Trustees shall be substituted for such affected Trustee for purposes of this Section 2.03.

**Section 2.04 Regular Meetings; Notice.** Regular meetings of the Board of Trustees shall be held at such time and place as shall be designated by the Board of Trustees from time to time. There shall be at least one (1) regular meeting of the Board of Trustees per year. Notice of such regular meetings shall not be required, except as otherwise expressly required herein or by law, and except that whenever the time or place of regular meetings shall be initially fixed and then changed, notice of such action shall be given promptly by telephone, facsimile, electronic mail or otherwise to each Trustee not participating in such action. Any business may be transacted at any regular meeting.

**Section 2.05 Annual Meeting of the Board.** One regular meeting of the Board of Trustees shall be designated the annual organization meeting at which the Board of Trustees shall organize itself and elect ~~the~~ officers of the University for the ensuing year and may transact any other business.

**Section 2.06 Special Meetings; Notice.** Special meetings of the Board of Trustees may be called at any time by the Chair of the Board or by seven members of the Board of Trustees, to be held at such place and day and hour as shall be specified by the person or persons calling the meeting. Notice of every special meeting of the Board of Trustees shall be given by the Secretary to each Trustee by telephone, facsimile, electronic mail or otherwise at least three (3) days before the meeting unless the meeting is being called in the event of an emergency, in which case as much advance notice shall be given to the Trustees as is practicable under the

circumstances. In addition, public notice of any special meeting shall be given as required by law. Except as otherwise provided herein or required by law, any business may be transacted at any special meeting regardless of whether the notice calling such meeting contains a reference thereto.

**Section 2.07 Quorum.** At all meetings of the Board of Trustees, the presence of at least a majority of the voting members of the Board of Trustees in office shall be necessary and sufficient to constitute a quorum for the transaction of business. If a quorum is not present at any meeting, the meeting may be adjourned from time to time by a majority of the Trustees present until a quorum as aforesaid shall be present, but notice of the time and place to which such meeting is adjourned shall be given to any Trustees not present either by facsimile or electronic mail or given personally or by telephone at least eight hours prior to the hour of reconvening.

**Section 2.08 Actions.** Except as expressly provided herein, resolutions of the Board of Trustees shall be adopted, and any action of the Board of Trustees upon any matter shall be valid and effective, with the affirmative vote of a majority of the Trustees present at a meeting duly convened and at which a quorum is present. The Chair, if one has been elected and is present, or if not, the Vice Chair, if present, or if not, a Trustee designated by the Board of Trustees, shall preside at each meeting of the Board of Trustees. The Secretary, or in his or her absence the Associate Secretary, shall be responsible for ensuring that the minutes of all meetings of the Board of Trustees are recorded in some reasonable manner. In the absence of the Secretary and the Associate Secretary, the presiding officer shall designate any person to take the minutes of the meeting. Unless otherwise modified in these Bylaws, the conduct of business in meetings of the Board of Trustees and any committees thereof shall be in accordance with the parliamentary procedures prescribed in Robert's "Rules of Order".

**Section 2.09 Meetings ~~by Telephone~~ Via Electronic Communication.**

Subject to the requirements of any applicable open meeting laws, one or more Trustees may participate in any regular or special meeting of the Board of Trustees or of a committee of the Board of Trustees by means of conference telephone, video conference or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting in this manner by a Trustee will be considered to be attendance in person for all purposes under these Bylaws.

**Section 2.10 Resignations.** Any Trustee may resign by submitting his resignation to the Secretary. Such resignation shall become effective upon its receipt by the Secretary or as otherwise specified therein.

**Section 2.11 Vacancies.** Vacancies in the membership of the Board of Trustees created by death, resignation, removal or any other reason may be filled by appointment by the Chair of the Board of Trustees for the unexpired term in all cases except memberships reserved for gubernatorial appointment and *ex officio* memberships established by the University's Charter.

**Section 2.12 Compensation; Reimbursement of Travel Expenses.** Members of the Board of Trustees serve as volunteers and shall not be compensated for their services. Upon the request of a Trustee, the University shall reimburse the Trustee's reasonable direct travel expenses, including transportation expenses, incurred while the Trustee was engaged in the discharge of his or her official duties. Reimbursement of travel expenses shall be determined in accordance with the University's travel reimbursement policies in effect from time to time.

**Section 2.13 Certain Meetings.** The Chair of the Board of Trustees may, at his discretion, request that one or more of the non-voting members of the Board of Trustees be excused from any regular or special meeting of the Board of Trustees or any portion thereof.

## ARTICLE III

### COMMITTEES AND SUBCOMMITTEES

**Section 3.01 Committees and Subcommittees.** Standing or temporary committees or subcommittees consisting of at least one (1) Trustee may be appointed by the Board of Trustees from time to time; provided, however, that a temporary committee may not be created for the purpose of acting on any matter appropriate to be acted on by a standing committee or subcommittee thereof. Committees and subcommittees may include non-voting members that are not Trustees of the University. Each such committee and subcommittee shall have and exercise such authority of the Board of Trustees in the management of the business and affairs of the University as the Board of Trustees may specify from time to time.

**Section 3.02 Executive Committee.** The executive committee shall have thirteen (13) members, all of whom shall be voting members. The executive committee shall be composed of the Chair of the Board of Trustees (who shall also be the chair of the executive committee), the Vice Chair of the Board of Trustees, the Chairs of the standing committees, the Chair of the Board of Directors of ~~the Milton S. Hershey Medical Center~~[Penn State Health](#) (or, if such chair is not a voting member of the Board of Trustees, a member of the Board of Directors of ~~The Milton S. Hershey Medical Center~~[Penn State Health](#) who is also a voting member of the Board of Trustees), the immediate past Chair of the Board of Trustees and such number of at-large members, nominated by the ~~Governance and Long-Range Planning Committee~~[committee on governance and long-range planning](#) and elected by the Board of Trustees, as may be necessary to have an executive committee of thirteen (13) members. In addition, the President of the University shall be an *ex officio* non-voting member of the ~~Executive Committee~~[executive committee](#).

(a) Purpose of the Executive Committee. The purpose of the executive committee shall be to transact all necessary business as may arise in the intervals between regular meetings of the Board of Trustees; it being understood that action by the ~~Executive Committee~~executive committee would not be expected to be taken except in extraordinary circumstances. Notice of any action by the ~~Executive Committee~~executive committee shall be provided to the Board of Trustees at its next regular meeting.

(b) Meetings of the Executive Committee. Meetings of the executive committee may be called by the Chair of the Board of Trustees or by any three (3) members of the ~~Executive Committee~~executive committee. No action may be taken by the ~~Executive Committee~~executive committee without the affirmative vote of at least seven (7) members of the ~~Executive Committee~~executive committee.

(c) Place of Meetings of the Executive Committee. All meetings of the executive committee shall be held at the executive offices of the University unless otherwise ordered by the Chair of the executive committee.

(d) Notice of Meetings of the Executive Committee. Notice of the time and place of all meetings of the executive committee shall be given in the same manner as for meetings of the Board of Trustees.

**Section 3.03 Standing Committees and Subcommittees.** The Board may adopt standing committees and subcommittees thereof in addition to the executive committee in accordance with the terms of these Bylaws.

(a) Function of Standing Committees and Subcommittees. The purpose of the standing committees and subcommittees is to facilitate consideration of the business and management of the Board of Trustees and of the University, as hereinafter set forth.

(b) Referral of Matters to Standing Committees and Subcommittees. Any matters appropriate for consideration by a standing committee or a subcommittee first shall be referred thereto by the Board of Trustees or the Chair of the Board of Trustees; except that a two-thirds (2/3) vote of the Trustees present at a meeting of the Board of Trustees but in no event by an affirmative vote of less than nine (9) Trustees will permit initial consideration by the full Board of Trustees; provided, however, that any matter referred to and considered by a standing committee or a subcommittee, but upon which the committee or subcommittee makes no recommendation or report to the Board of Trustees may be brought before the Board of Trustees for consideration at the request of any Trustee.

(c) Matters Appropriate to More Than One Committee or Subcommittee. Except as otherwise provided in these Bylaws, matters determined to be appropriate for consideration by more than one committee or subcommittee may be referred by the Chair of the Board of Trustees to one committee or subcommittee or more.

(d) Final Authority of the Board. Unless otherwise specifically delegated and except as otherwise provided herein, [in the Standing Orders or in the approved operating guidelines of any standing committee or subcommittee](#), authority to act on all matters is reserved to the Board of Trustees, and the duty of each standing committee and subcommittee shall be only to consider and to report or make recommendations to the Board of Trustees upon appropriate matters.

(e) Specific Responsibility of Standing Committees. The several standing committees are charged specifically with the immediate care and supervision of the subject matters respectively indicated by and properly relating to their titles. [Standing committees shall assume such additional responsibilities as may from time to time be assigned by the Chair of the Board of Trustees.](#)

(f) Standing Committees Established. The following shall be the standing committees of the Board of Trustees:

(i) Committee on Academic Affairs, Research and Student Life. The committee on academic affairs, research and student life shall consist of not less than five (5) appointive members, in addition to the *ex officio* members, and shall consider and report or recommend to the Board of Trustees on matters pertaining to:

(1) the educational policies and programs of the University, including the long range educational development of the University ~~the long range educational development of the University~~ with respect to instruction and continuing education;

(2) the faculty;

(3) ~~educational policy matters pertaining to instruction,~~ the University's research, and continuing education enterprise; and

(4) all phases of student life.

(ii) Committee on Finance, Business and Capital Planning. The committee on finance, business and capital planning shall consist of not less than five (5) appointive members, in addition to the *ex officio* members and shall consider and report or recommend to the Board of Trustees on matters pertaining to:

(1) finance, business, budgets, non-budget expenditures, human resources, investments, trust funds, insurance, real estate contracts,

government and private contracts, and grants, fees, room and board charges, and the long-range financial planning and development of the University;

(2) endowments, gifts, and fund raising;

(3) the purchase and sale of real estate, master plans, construction, the award of contracts, and the honorific naming of buildings and roads; and

(4) the University's capital plan, the long-range comprehensive physical plant and infrastructure development of the University at each campus, consistent with the long-range educational development of the University.

(iii) Committee on Governance and Long-Range Planning. The committee on governance and long-range planning shall consist of not less than five (5) appointive members, in addition to the *ex officio* members and shall consider and report or recommend to the Board of Trustees on matters pertaining to:

(1) in fulfillment of its governance responsibilities, ~~provide~~providing counsel and advice to the Board of Trustees in matters concerning the development of strategies, policies, and practices that orient, educate, organize, motivate, and assess the performance of trustees. ~~It shall assume such additional~~

~~(4)(2)~~ The committee's responsibilities ~~as may from time to time be assigned by the Chair of the Board of Trustees with the approval of the Board of Trustees includingshall also include~~, but not be limited to:



- a. reviewing and recommending to the Board any changes to the expectations of membership and code of conduct for all trustees, including trustees emeriti;
- b. recommending to the Board of Trustees candidates for election to membership on the ~~Executive Committee~~executive committee;
- c. recommending to the Board of Trustees proposed Student and Academic Trustees;
- d. reviewing the service of a Trustee upon retirement and recommending candidates for emeritus status;
- e. evaluating and making recommendations on committee and subcommittee operating guidelines and with respect to the working effectiveness of the Board of Trustees and its committees and subcommittees; and
- f. evaluating, recommending and reporting on the qualifications and skill sets to be considered in the process of nominating board of trustee candidates.

~~(2)~~(3) in fulfillment of its long-range planning responsibilities:

- a. ~~charge~~charging and ~~support~~supporting the ~~chief executive~~with President in leading a strategic planning process, participating in that process, ~~approve~~making recommendations to the ~~strategie~~

~~plan~~ Board of Trustees with respect to the Strategic Plan, and monitoring its progress; and

- b. ~~ensure~~ providing oversight of the growth, development, and sustainability of the University for future generations in order to achieve its full potential as one of the world's great universities.

(iv) Committee on Audit and Risk. The committee on audit and risk shall consist of not less than five (5) appointive members, in addition to the *ex officio* members, and shall oversee the auditing of the University's financial statements and internal controls as set forth more fully in the operating guidelines of the committee. In fulfilling its responsibility, the committee on audit and risk shall consider and report or recommend to the Board of Trustees on matters pertaining to:

- (1) regular and special audits; and
- (2) the identification and management of risks including financial, material, and reputational.

(v) Committee on Legal and Compliance. ~~The~~ The committee on legal and compliance shall consist of not less than five (5) appointive members, in addition to the *ex officio* members, and shall oversee adherence to laws, regulations, and policies that pertain to University operations. In fulfilling its responsibility, the committee on legal and compliance shall consider and report or recommend to the Board of Trustees on matters pertaining to compliance, oversight and legal issues as legally or otherwise prescribed.

~~(vi)~~—Committee on Outreach, Development and Community Relations. The committee on outreach, development and community relations shall consist of not less than five (5) appointive members, in addition to the *ex officio* members and shall provide advice and support to, and help inform the public of, the University's efforts to build support among its major constituents, from faculty, staff and students to alumni and donors, business and civic leaders and elected officials.

~~(vii)~~(vi) In fulfilling its responsibility, the committee on outreach, development and community relations shall consider and report or recommend to the Board of Trustees on matters pertaining to outreach, development and community relations, including, but not limited to:

- (1) Short and long-term communications plans and initiatives that support University priorities and protect and advance its reputation;
- (2) Key outreach programs, such as extension and "Invent Penn State" that advance community and economic development priorities;
- (3) Fundraising priorities and campaigns, including those that promote access and affordability and ensure academic excellence;
- (4) Community and governmental relations activities that help ensure budget and policy decisions meet University needs;
- (5) Major alumni association activities; and
- (6) Opportunities to showcase the accomplishments of faculty, staff, students and others that merit public recognition.

Committee on Equity and Human Resources. The committee on ~~outreach, development and community relations shall assume such additional responsibilities as may from time to~~

~~time be assigned by the Chair of the Board of Trustees with the approval of the Board of Trustees.~~

~~(viii)(vii) Committee on Compensation. The committee on compensation shall consist of the Vice Chair of the Board of Trustees, the immediate past Chair of the Board of Trustees, the Chair of the committee on finance, business equity and capital planning, the Chair of the subcommittee on human resources and one at large member appointed by the Chair of the Board of Trustees shall consist of not less than five (5) appointive members, in addition to the *ex officio* members, and shall consider and report or recommend to the Board of Trustees on matters pertaining to:~~

~~(1) Changes to the executive compensation philosophy and strategy;~~

~~(2) Significant changes in executive compensation and benefit programs and policies;~~

~~(1) An annual review Compensation, benefits, performance management, talent management, succession planning and leadership development for the broader University;~~

~~(2) Recruitment, enrollment, retention, and graduation of students representing all aspects of diversity;~~

~~(3) Enhancement of diversity in the racial, ethnic and gender composition of faculty and approval of the President's personal goals staff at all levels;~~

~~(4) Accessibility, accommodation, and objectives, performance support for veterans and annual compensation individuals with disabilities; and~~

~~(3)(5)~~ Engagement by the University of qualified diversity business enterprises, including salary and incentive compensation, if applicable; minority- and women-owned businesses, as suppliers of goods and services.

~~(4) Any additional items or actions brought to the Board of Trustees by the committee on compensation at its discretion.~~

(g) Selection of Committee Members. Members of the standing committees and subcommittees, and the chairperson and vice chairperson thereof, shall be appointed by the Chair of the Board of Trustees. The Chair and, in his or her absence, the Vice Chair of the Board of Trustees shall be an *ex officio* member of all standing committees, of all special committees and of all subcommittees. No Trustee shall serve as chairperson of any standing committee for more than five (5) consecutive years, except as specifically approved by a two-thirds vote of the Board of Trustees. ~~Members of the subcommittees, and the chairperson and vice chairperson thereof, shall be appointed by the chair of the standing committee of which the subcommittee is a part, after consultation with the Chair of the Board of Trustees.~~

(h) Term of Committee Members. Committee members shall serve ~~for a term of one (1) year commencing upon the date of the election of officers of the Board or such other date as may be prescribed by the Chair of the Board of Trustees, and~~ until their successors are appointed in accordance with this Bylaw.

(i) Vacancies on Standing Committees. Vacancies on all standing committees shall be filled through appointment by the Chair of the Board to serve the unexpired term created by the vacancy.

(j) Consultation with Constituent Groups. Standing committees shall seek consultation from representative constituent groups as appropriate in the exercise of their responsibilities.

(k) The following shall be the subcommittees of the Board of Trustees:

(i) The subcommittee on finance (of the committee on finance, business and capital planning) shall be composed of up to three members of the committee on finance, business and capital planning. This subcommittee shall be responsible for reviewing on a regular basis certain of the University's material financial matters, including the operating and capital budgets, balance sheet management and debt strategy, non-endowed investments, review and endorsement of endowment spending rates, and informing the committee on finance, business and capital planning regarding relevant financial oversight matters.

(ii) The subcommittee on human resources compensation (of the committee on compensation equity and human resources) shall ~~be composed~~ consist of up to five members, ~~not~~ all of whom need not be members of the committee on compensation equity and human resources, in addition to the ex officio members. This subcommittee shall ~~be responsible for reviewing on a regular basis certain of the~~ assist the Board with executive compensation philosophy and strategy pertaining to the University's ~~greatest assets, its human resources, senior leadership positions; the annual review and approval of the President's personal goals and objectives, performance and annual compensation, including the salary and incentive compensation, if applicable~~ policies and procedures concerning the recruitment, retention, and training; and will make decisions and recommendations

for and on behalf of employees, as well as diversity and inclusion. The subcommittee shall be responsible for a review the Board of compensation policies and practices Trustees, when appropriate, relating to the effectiveness of executive compensation, benefits, performance management, and leadership development.

(iii) The subcommittee on legal (of the committee on legal and compliance) shall be composed of up to five members of the committee on legal and compliance. This subcommittee shall be responsible for reviewing matters pertaining to compliance, oversight and legal issues as legally or otherwise prescribed, including but not limited to litigation strategies and other matters ~~as prescribed by the subcommittee's charter.~~

(iv) The subcommittee on risk (of the committee on audit and risk) shall be composed of up to five members, at least two of whom shall be members of the committee on audit and risk. This subcommittee shall be responsible for reviewing matters pertaining to the identification and management of risks, including financial, operational, strategic and compliance risks, ~~as prescribed by the subcommittee's charter.~~

(v) The subcommittee on long-range planning (of the committee on governance and long-range planning) shall be composed of up to five members, at least two of whom shall be members of the committee on governance and long-range planning. This subcommittee shall be responsible for reviewing matters related to the University's long-range planning activities, including supporting the strategic planning process, participating in that process, and monitoring its progress.

(l) Operating Guidelines. All standing committees and subcommittees shall operate pursuant to written operating guidelines which shall be submitted to and approved by the Board upon the recommendation of the committee on governance and long-range planning.

**Section 3.04 Quorum and Actions.** At all meetings of a committee, the presence of at least a majority of the members of such committee (including any ex officio members of such committee) shall be necessary and sufficient to constitute a quorum for the transaction of business. Except as set forth in Section 3.02(b), resolutions of a committee shall be adopted, and any action of the committee upon any matter shall be valid and effective, with the affirmative vote of a majority of the members of the committee present at a meeting duly convened and at which a quorum is present.

**Section 3.05 Authority of Board.** Any action taken by any committee or subcommittee shall be subject to alteration or revocation by the Board of Trustees; provided, however, that third parties shall not be prejudiced by such alteration or revocation.

**Section 3.06 Special Assignments.** The Chair of the Board of Trustees may make special assignments to the Trustees from time to time in furtherance of the Board's duties and obligations. Such assignments shall include, but not be limited to, the following:

(a) **Trustee Representative at All Commencements.** The Board of Trustees shall be represented at all Commencements by the Chair of the Board of Trustees or by Trustees designated by the Chair of the Board of Trustees.

~~(b) —Trustee Representative at Meetings of the Executive Board of the Alumni Association. On recommendation of the Executive Board of the Alumni Association, the Chair of the Board of Trustees is authorized to appoint a Trustee to attend all official meetings of the Executive Board of the Alumni Association.~~



~~(e)~~(b) Trustee Liaison to Capital Campaigns. The Chair of the Board of Trustees is directed to appoint a liaison Trustee to interact with developmental activities for capital campaigns and to apprise the Board of Trustees of the activities and the progress of campaigns.

## **ARTICLE IV**

### **LIABILITY AND INDEMNIFICATION**

#### **Section 4.01     Personal Liability of Trustees.**

(a)     Elimination of Liability. To the fullest extent that the laws of the Commonwealth of Pennsylvania, as now in effect or as hereafter amended, permit elimination or limitation of the liability of Trustees for monetary damages, no Trustee of the University shall be personally liable for monetary damages as such for any action taken, or any failure to take any action, as a Trustee.

(b)     Nature and Extent of Rights. The provisions of this Section shall be deemed to be a contract with each Trustee of the University who serves as such at any time while this Section is in effect and each such Trustee shall be deemed to be so serving in reliance on the provisions of this Section. Any amendment or repeal of this Section or adoption of any Bylaw or provision of the Articles of the University which has the effect of increasing Trustee liability for monetary damages shall operate prospectively only and shall not affect any action taken, or any failure to act, prior to the adoption of such amendment, repeal, Bylaw or provision.

#### **Section 4.02     Indemnification.**

(a)     Right to Indemnification.

(i)     As used herein, the word “Action” shall mean any action, suit or proceeding, administrative, investigative or other, (A) in which such person is named as a defendant (other than in an action, suit or proceeding by the University)

or (B) in connection with which such person is not named as a defendant but is a witness, subject to investigation or otherwise involved, in either case by reason of such person being or having been a Trustee or officer of the University or by reason of such person serving or having served at the request of the University as a director, officer, employee, fiduciary or other representative of another corporation, partnership, joint venture, trust, employee benefit plan or other entity.

(ii) Except as prohibited by law, each Trustee and officer of the University shall be entitled as of right to be indemnified by the University against expenses and any liability paid or incurred by such person in connection with any Action.

(iii) Except as provided in Section 4.02(c) below, the University shall not indemnify any Trustee or officer, or pay, advance or reimburse any Trustee or officer, for any legal fees and expenses incurred in connection with any action, suit or proceeding, administrative, investigative or other, which such Trustee or officer brings, directly or indirectly, against the University, the Board of Trustees or any officer, Trustee, employee, agent or representative of the University or the Board of Trustees.

(iv) A person who is not a Trustee or officer of the University may be similarly indemnified in respect of service to the University to the extent the Board of Trustees at any time designates such person as entitled to the benefits of this Section. The Board of Trustees has delegated to the Vice President and General Counsel the authority to make the determination, after consideration of relevant facts and circumstances, as to whether a person who is not a Trustee or officer of

the University shall be indemnified in respect of his or her service to the University pursuant to this paragraph.

(v) As used in this Section, “indemnitee” shall include each Trustee and each officer of the University and each other person designated by the Board of Trustees as entitled to the benefits of this Section; “liability” shall include amounts of judgments, excise taxes, fines, penalties and amounts paid in settlement; and “expenses” shall include fees and expenses of counsel incurred by the indemnitee only (A) if the University has not at its expense assumed the defense of the Action on behalf of the indemnitee with reputable and experienced counsel selected by the University, or (B) if it shall have been determined pursuant to Section (c) hereof that the indemnitee was entitled to indemnification for expenses in respect of an Action brought under that Section

(b) Right to Advancement of Expenses. Every indemnitee shall be entitled as of right to have his expenses in defending any Action paid in advance by the University, as incurred; provided, however, that the University receives a written undertaking by or on behalf of the indemnitee to repay the amount advanced if it should ultimately be determined that such person’s conduct was such that the University is prohibited by law from indemnifying such person

(c) Right of Indemnitee to Initiate Action; Defenses.

(i) If a written claim for indemnification or advancement of expenses under paragraph (a) or paragraph (b) of this Section is not paid in full by the University within thirty days after such claim has been received by the University, the indemnitee may at any time thereafter commence a lawsuit to recover the unpaid

amount of the claim and, if successful in whole or in part, the indemnitee shall also be entitled to be paid the reasonable expenses of prosecuting such suit..

(ii) The only defenses to a lawsuit to recover a claim for indemnification otherwise properly asserted under paragraph (a) shall be that the indemnitee's conduct was such that under applicable law the University is prohibited from indemnifying the indemnitee for the amount claimed, but the burden of proving any such defense shall be on the University.

(iii) The only defense to a lawsuit to recover a claim for advancement of expenses otherwise properly asserted under paragraph (b) shall be that the indemnitee failed to provide the undertaking required by paragraph (b), but the burden of proving any such defense shall be on the University.

(d) Non-Exclusivity; Nature and Extent of Rights; Insurance. The rights to indemnification and advancement of expenses provided for in this Section shall (i) not be deemed exclusive of any other rights to which any indemnitee may be entitled, (ii) be deemed to create contractual rights in favor of each indemnitee who serves the University at any time while this Section is in effect (and each such indemnitee shall be deemed to be so serving in reliance on the provisions of this Section), and (iii) continue as to each indemnitee who has ceased to have the status pursuant to which he was entitled or was designated as entitled to indemnification under this Section and shall inure to the benefit of the heirs and legal representatives of each indemnitee. The University may provide, at its cost, insurance, or may self-insure, to protect itself and any Trustee, officer, agent or employee eligible to be indemnified hereunder against any liability or expense whether or not the University would have the power to indemnify such trustee, officer, agent or employee.

## **ARTICLE V**

### **OFFICERS AND EMPLOYEES**

#### **Section 5.01    Officers.**

(a)    Officers. The officers of the Board of Trustees shall be a President (also referred to as the “Chair”), a Vice President (also referred to as the “Vice Chair”), each of whom shall be a member of the Board of Trustees, and a Secretary.

(b)    Election and Term of Officers. All officers of the Board of Trustees shall be chosen each year by ballot of the voting members of the Board of Trustees present at the stated meeting of the Board of Trustees in July to serve for a period of one year and until their successors are chosen according to these Bylaws.

(c)    Duties of Officers. The Chair of the Board of Trustees shall perform the corporate duties which pertain to that office. The Chair shall appoint all committees and subcommittees of the Board of Trustees and the chairperson thereof (except the executive committee) unless otherwise ordered by the Board of Trustees. The Vice Chair shall, in the absence of the Chair, perform the duties of the Chair. The Secretary shall perform the corporate duties which pertain to that office, be custodian of the corporate seal, conduct the ordinary correspondence of the Board of Trustees and maintain an accurate record of all proceedings of the Board of Trustees and of the executive committee.

(d)    Vacancies in Office. Vacancies in any office or offices may be filled by ballot of the voting members present at any meeting of the Board of Trustees.

(e)    Officers of the University. The executive officers of the University shall be the President, one or more Vice Presidents as the Board of Trustees may from time to time determine, an associate secretary, three assistant secretaries, a Treasurer, and three assistant

treasurers, all of whom shall be elected by the Board of Trustees. Except for the office of the President and Secretary, any two or more offices may be held by the same person. Each executive officer shall hold office at the pleasure of the Board of Trustees, or until his or her death or resignation.

(f) The associate secretary shall assist the secretary in the performance of his/her duties and shall act for and on behalf of the University in the same manner and with the same authority as the secretary. The assistant secretaries shall assist the associate secretary and shall act for and on behalf of the University in the same manner and with the same authority as the secretary. The Treasurer shall receive and disburse all monies of the corporation under procedures and safeguards prescribed by the Board of Trustees. The assistant treasurers shall assist the treasurer in the performance of these duties and shall act for and on behalf of the University in the same manner and with the same authority as the treasurer.

**Section 5.02 Additional Officers; Other Agents and Employees.** The Board of Trustees may from time to time appoint or employ such additional officers, assistant officers, agents, employees and independent contractors as the Board of Trustees deems advisable; the Board of Trustees shall prescribe their duties, conditions of employment and compensation; and the Board of Trustees shall have the right to dismiss them at any time, without prejudice to their contract rights, if any. The President of the University may employ from time to time such other agents, employees and independent contractors as he may deem advisable for the prompt and orderly transaction of the business of the University, and he may prescribe their duties and the conditions of their employment, fix their compensation and dismiss them at any time, without prejudice to their contract rights, if any.

**Section 5.03     The Chair.** The Chair of the Board of Trustees, if any, shall be elected from among the voting members of the Board of Trustees, shall preside at all meetings of the Board of Trustees as provided herein, and shall have such other powers and duties as from time to time may be prescribed by the Board of Trustees. The Chair shall be an *ex officio* member of all standing committees and subcommittees, entitled to vote thereon. In the absence or disability of the Chair, the Vice Chair shall have the powers and perform the duties of the Chair.

**Section 5.04     The President.** The President of the University shall be the chief executive officer of the University. Subject to the control of the Board of Trustees, the President shall have general supervision of and general management and executive powers over all the property, operations, business, affairs and employees of the University, and shall see that the policies and programs adopted or approved by the Board of Trustees are carried out. The President shall exercise such further powers and duties as from time to time may be prescribed in these Bylaws or by the Board of Trustees. The President of the University, as chief administrative officer, shall carry out all orders and directives of the Board of Trustees and shall administer all policies of the Board of Trustees, as well as the policies established by him or her and by the faculty. The President may delegate such administrative authority as he or she deems appropriate to his or her staff, to the Treasurer, to the deans of the various academic units, and to others, who shall exercise such delegated authority in the name of the President. The establishment of senior administrative positions responsible directly to the President and the determination of the functions of such positions shall be made by the President of the University. All administrative officers with the title of vice president or dean shall be appointed by the President, subject to the approval of the Board of Trustees. Removal of such administrative officers with the title of vice president or dean shall be made by the President and, in such event, the President shall inform the Board of

Trustees of such removal at the next regular meeting of the Board. The President, as chief policy officer, shall have final authority, subject to the revisions and orders of the Board of Trustees, to establish policy concerning educational policy and planning, student affairs, the instructional program, courses and curricula, personnel, admissions, graduation requirements, scholarships and honors, calendar requirements, business, planning, research, and finance; provided, however, that the President shall delegate to the faculty, as appropriately organized, subject to the orders of the President, the authority to establish policy concerning the approval and supervision of the instructional program, including courses and curricula, academic admission standards, graduation requirements, and scholarships and honors. The President shall consult with the faculty, as appropriately organized, in the establishment of policy concerning educational policy and planning, including general admissions policy, calendar, academic personnel, student affairs, and any other matter he or she shall deem appropriate. In addition, the President shall consult with the student body, as appropriately organized, in the area of student affairs.

**Section 5.05 The Vice President(s).** The University may have one or more Vice Presidents. The Vice President(s) may be given by resolution of the Board of Trustees general executive powers, subject to the control of the President, concerning one or more or all segments of the operations of the University. The Vice President(s) shall exercise such further powers and duties as from time to time may be prescribed in these Bylaws or by the Board of Trustees or the President. At the request of the President, or in his or her absence or disability, the Executive Vice President and Provost shall exercise the powers and duties of the President.

**Section 5.06 The Secretary, Associate Secretary and Assistant Secretaries.** It shall be the duty of the Secretary (a) to keep an original or duplicate record of the proceedings of the Board of Trustees, and a copy of the Charter and of the Bylaws; (b) to give such notices as



may be required by law or these Bylaws; (c) to be custodian of the corporate records and of the seal of the University and see that the seal is affixed to such documents as may be necessary or advisable; and (d) to exercise all powers and duties incident to the office of Secretary; and such further powers and duties as from time to time may be prescribed in these Bylaws or by the Board of Trustees or the President. The Associate Secretary and the assistant secretaries shall assist the Secretary in the performance of his duties and shall also exercise such further powers and duties as from time to time may be prescribed by the Board of Trustees, the President or the Secretary. At the direction of the Secretary or in his or her absence or disability, the Associate Secretary shall exercise the powers and duties of the Secretary.

**Section 5.07     The Treasurer and Assistant Treasurers.** It shall be the duty of the Treasurer (a) to keep the University's contracts, insurance policies, leases, deeds and other business records; (b) to see that the University's lists, books, reports, statements, tax returns, certificates and other documents and records required by law are properly prepared, kept and filed; (c) to be the principal officer in charge of tax and financial matters, budgeting and accounting of the University; (d) to have charge and custody of and be responsible for the University's funds, securities and investments; (e) to receive and give receipts for checks, notes, obligations, funds and securities of the University, and deposit monies and other valuable effects in the name and to the credit of the University, in such depositories as shall be designated by the Board of Trustees; (f) to cause the funds of the University to be disbursed by payment in cash or by checks or drafts upon the authorized depositories of the University, and to cause to be taken and preserved proper vouchers for such disbursements; (g) to render to the President and the Board of Trustees whenever they may require it an account of all his transactions as Treasurer, and reports as to the financial position and operations of the University; (h) to keep appropriate, complete and accurate books

and records of account of all the University's business and transactions; and (i) to exercise all powers and duties incident to the office of Treasurer; and such further duties from time to time as may be prescribed in these Bylaws or by the Board of Trustees or the President. The assistant treasurers shall assist the Treasurer in the performance of his or her duties and shall also exercise such further powers and duties as from time to time may be prescribed by the Board of Trustees, the President or the Treasurer. At the direction of the Treasurer or in his absence or disability, an assistant treasurer shall exercise the powers and duties of the Treasurer.

**Section 5.08 Vacancies.** Any vacancy in any office or position by reason of death, resignation, removal, disqualification, disability or other cause shall be filled in the manner provided in this Article V for regular election or appointment to such office.

**Section 5.09 Delegation of Duties.** The Board of Trustees may in its discretion delegate for the time being the powers and duties, or any of them, of any officer to any other person whom it may select. Upon authorization by the Board of Trustees, an officer may delegate performance of specific duties to employees and agents of the University.

(a) Notwithstanding the foregoing, the following matters shall require the approval of the Board of Trustees:

- (i) Basic University Organization and Policy
  - (1) Amendments to the Charter, Bylaws and Standing Orders;
  - (2) All reports of standing or special committees of the University's Board of Trustees;
  - (3) All major modifications of educational policy;
  - (4) Authorization to grant degrees to graduates;
  - (5) The University's Strategic Plan; and

(6) University intellectual property policy.

**(ii) Fiscal Matters**

(1) Establishment of, or changes in existing, major University fiscal policies;

(2) State appropriation requests and annual operating budgets;

(3) Acceptance of gifts, bequests, grants, fellowships, scholarships, loan funds that are not in accord with established policy;

(4) Establishment of, or changes in, tuition, room and board rates and mandatory student fees;

(5) Authorization to borrow money; authorization of persons to sign checks, contracts, legal documents, and other obligations, and to endorse, sell, or assign securities; and

(6) Selection of a firm to make annual audit of University accounts.

**(iii) Capital Projects**

(1) Establishment of, or changes in the University's five-year Capital Plan;

(2) Establishment of, or changes in existing policies, on matters such as honorific naming of buildings and roads and preservation of campus landmarks;

(3) Purchase of land and other real estate with a purchase price of \$1 million or more;

(4) Sale of land or other real estate, with the exception of the sale of land and other real estate with a sale price of less than \$3 million gifted to the University for the express purpose of sale with proceeds benefitting the University;

(5) Honorific names for individual buildings and roads;

(6) Any new construction or renovation project for which the total project cost is \$10 million or more, including

(A) Total project cost; provided however, that the Officers of the University shall have the discretion to expend up to an additional 10 percent of the approved total project cost, as necessary; and

(B) Awarding of contracts for construction;

(7) Projects under \$10 million in cost that are bond-financed;

(8) Other capital expenditures of \$10 million or more.

(iv) Personnel Matters.

(1) The selection, evaluation, compensation and removal of the President of the University, in accordance with policies and procedures adopted by the Board of Trustees from time to time. This responsibility includes a commitment to grant the President broad delegated authority, to support the President in his/her exercise of such authority, to judge the performance of the President, and if necessary, to remove the President. In the selection of a President, the Board shall consult with representatives of the faculty and the student body.

(2) The establishment of and any changes to the University's executive compensation philosophy.

(3) The establishment of and any changes to the employment terms and conditions of the President of the University.

(4) The appointment and removal of the Vice President and General Counsel and the process by which Vice Presidents (other than the Vice President and General Counsel) and Deans are appointed, and any material amendments or modifications to such process.

(v) Subsidiaries

(1) Appointment of the Board of Directors of each direct subsidiary of the University as provided in such subsidiary's articles of incorporation;

(2) Amendments to the articles of incorporation of each direct subsidiary of the University; and

(3) Exercise of rights reserved to the University in the articles of incorporation, bylaws or other governing documents of any direct or indirect subsidiary of the University.

(vi) Miscellaneous

(1) Selection of the recipients of Distinguished Alumni Awards, honorary degrees and the Penn State Medal; and

(2) Selection of specific dates for regular meetings of the Board of Trustees.

(b) The delegation of authority set forth in this Section 5.09 requires that the Board of Trustees rely on the judgment and decisions of those who operate under its authority. However, this reliance of the Board of Trustees must be based upon its continuing awareness of the operations of the University. Therefore, the Board of Trustees shall receive and consider thorough and forthright reports on the affairs of the University by the President or those designated by the President. The Board of Trustees has a continuing obligation to require information or answers on any University matter with which it is concerned. In addition to such matters as the President of the University may determine, or as requested by the Chair of the Board of Trustees, the following matters shall be presented to the Board of Trustees for information:

(i) Basic University Organization and Policy

(1) New curricula and major changes in existing curricula;

(2) Major policy matters affecting student welfare and activities;

and

(3) Major policy matters affecting research.

(ii) Fiscal Matters

(1) Financial statements, and gifts, bequests, grants, fellowship, scholarships, loan funds that are in accord with established policy; and

(2) The University's annual reports filed under the Clery Act and the Pennsylvania Right to Know Act.

(iii) Personnel Matters

(1) Policies. New policies or changes in existing policies governing appointments, promotions in academic rank, leaves of absence,

resignations, retirements, academic freedom and tenure, hours and conditions of employment, and fringe benefits; and

(2) Executive Compensation. Information regarding

(A) the evaluation and compensation of University executives (other than the President of the University), in accordance with policies and procedures recommended by the ~~committee~~subcommittee on compensation from time to time.

(B) the establishment of and any changes to executive compensation and benefit programs and policies.

(3) Information regarding the appointment and removal of Vice Presidents and Deans.

(iv) Capital Projects

(1) New construction or renovations projects with a total project cost equal to or greater than \$5 million but less than \$10 million;

(2) Generic naming of individual buildings and roads and honorific naming of University facilities other than individual buildings and roads;

(3) Purchase of real estate with a purchase price of less than \$1 million;

(4) Reports on the sale of land and other real estate with a sale price of less than \$3 million gifted to the University for the express purpose of sale;

(5) Capital budget request submitted to the Commonwealth of Pennsylvania;

(6) An annual capital plan informational update; and

(7) Reports on the progress of new construction or renovation projects with a total project cost of \$10 million or more.

(c) Board of Trustees Delegation of Authority to Certain University Administrative Officers.

(i) The President, Vice President, Secretary, Treasurer, Assistant Treasurer, Senior Vice President for Finance and Business, and Corporate Controller of the University, or any one of such officers be and they are hereby fully authorized and empowered on behalf of the University to execute and acknowledge all deeds, agreements and contracts, and to transfer and endorse, sell, assign, set over and deliver any and all shares of stock, bonds, debentures, notes, evidences of indebtedness or other securities now or hereafter standing in the name of or owned by this University, and to make, execute, acknowledge, and deliver, under the corporate seal of this University, any and all written instruments necessary or proper to effectuate the authority hereby conferred.

(ii) The Treasurer, or in the absence of the Treasurer, the Senior Vice President for Finance and Business, may delegate in writing to such employees of the University as they may deem appropriate, the authority to execute and acknowledge on behalf of the University standardized agreements and contracts for which those employees have administrative responsibility.



(iii) The Chief ~~Executive~~Investment Officer, or in such person's absence, the Managing Director, Operations of the Office of Investment Management, ~~or in his absence, the Chief Investment Officer~~, is hereby fully authorized and empowered on behalf of the University to transfer and endorse, sell, assign, set over and deliver any and all shares of stock, bonds, debentures, notes or other securities now or hereafter standing in the name of or owned by ~~this~~the University, and to make, execute, acknowledge, and deliver, under the corporate seal of ~~this~~the University, any and all written instruments necessary or proper to effectuate the authority hereby conferred.

(iv) The Associate Vice President for Finance and Business and Controller, or, in his or her absence, the Associate Controller, be and is hereby fully authorized and empowered on behalf of the University to execute and acknowledge all agreements and contracts related to the affairs of the College of Medicine.

(v) The Associate Secretary and Assistant Secretary of this University, or any one of such officers, be and they are hereby fully authorized and empowered on behalf of this University to make, execute, acknowledge, and deliver, under the corporate seal of this University, any and all written instruments necessary or proper to effectuate the authority hereby conferred.

(d) Subject to the provisions of Section 5.09(a)(v), the affairs of any direct or indirect subsidiary of the University shall be governed by the Board of Directors of such subsidiary in accordance with the articles of incorporation, bylaws or other governing documents of such subsidiary.

## **ARTICLE VI**

### **MISCELLANEOUS CORPORATE TRANSACTIONS AND DOCUMENTS**

**Section 6.01 Execution of Notes, Checks, Contracts and Other Instruments.** All notes, bonds, drafts, acceptances, checks, endorsements (other than for deposit), guarantees and all evidences of indebtedness of the University whatsoever, and all deeds, mortgages, contracts and other instruments requiring execution by the University, may be signed by the Chair, the President, any Vice President or the Treasurer, and authority to sign any of the foregoing, which may be general or confined to specific instances, may be conferred by the Board of Trustees upon any other person or persons. Any person having authority to sign on behalf of the University may delegate, from time to time, by instrument in writing, all or any part of such authority to any other person or persons if authorized to do so by the Board of Trustees, which authority may be general or confined to specific instances. Facsimile signatures on checks may be used if authorized by the Board of Trustees.

**Section 6.02 Voting Securities Owned by the University.** Securities owned by the University and having voting power in any other University shall be voted by the President or any Vice President, unless the Board of Trustees confers authority to vote with respect thereto, which may be general or confined to specific investments, upon some other person. Any person authorized to vote such securities shall have the power to appoint proxies, with general power of substitution.

## **ARTICLE VII**

### **GENERAL PROVISIONS**

**Section 7.01 Offices.** The principal business office of the University shall be located at 201 Old Main, University Park, Pennsylvania 16802. The University may also have

offices at such other places within or without the Commonwealth of Pennsylvania as the business of the University may require.

**Section 7.02 Corporate Seal.** The Board of Trustees shall prescribe the form of a suitable corporate seal, which shall contain the full name of the University and the year and state of its creation.

**Section 7.03 Fiscal Year.** The fiscal year of the University shall end on June 30 or on such other day as shall be fixed by the Board of Trustees.

**Section 7.04 Private Inurement.** No part of the net earnings of the University shall inure to the benefit of, or be distributable to, its Trustees, officers or other private persons, except that the University shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in these Bylaws and the University's Charter.

## **ARTICLE VIII**

### **CONFLICTS OF INTEREST**

**Section 8.01 Definitions.** For purposes of Sections 8.01 – 8.11 hereof, the following terms shall have the meanings set forth below.

(a) Conflict of Interest. A “conflict of interest” exists when a reasonable observer, having knowledge of all of the relevant facts and circumstances, would conclude that a Trustee has an actual or apparent conflict of interest in a matter related to the University. In addition to financial conflicts of interest, a conflict of interest includes a situation in which a Trustee, family member or related entity has an interest that may lead the Trustee to act in a way that is incompatible with or a breach of the Trustee's fiduciary duty to the institution or use such Trustee's role to achieve personal gain or benefit or gain or benefit to family, friends or associates.

(b) Family Member. A “family member” means a Trustee’s spouse or dependent child.

(c) Financial Conflict of Interest. A “financial conflict of interest” exists when a Trustee, a family member or related entity has an actual or potential financial interest in a matter (i) that is pending before the Board for discussion or vote or (ii) in which the Trustee or a family member is personally involved. A financial conflict of interest does not include a student or employment relationship of a family member.

(d) Related Entity. A “related entity” means a corporation, partnership, association or other entity where the Trustee or family member serves as an officer, director, partner or employee; expects to receive \$5,000 or more in compensation for services in a calendar year; holds any equity in a non-publicly traded entity; or holds an interest of 5% or more in a publicly traded entity.

(e) Known. “Known” means that the Trustee has actual knowledge of the conflict of interest.

(f) Board. “Board” includes any standing or ad hoc committee of the Board.

(g) Disclose or Disclosure. “Disclose” or “disclosure” means to provide a brief summary of the transaction, agreement or business arrangement and the Trustee’s financial or other interest.

(h) For purposes of this Article VIII, the term “University” includes all direct and indirect subsidiaries thereof.

**Section 8.02 Disclosure.** Each Trustee must disclose in writing to the Office of the Board of Trustees and to the Chair of the Board all situations that involve actual or apparent conflicts of interest if and as the conflict of interest becomes known to such Trustee.

**Section 8.03     Annual Disclosure.** In addition to other annual disclosures required by law or policy, each Trustee must disclose annually and in writing to the Secretary of the Board all conflicts of interest that are known to such Trustee. The annual disclosures of known conflicts of interest will be publicly available upon request.

**Section 8.04     Recusal.** If a matter in which a Trustee has a known conflict of interest comes before the Board for discussion or decision, the interested Trustee shall leave the Board meeting while the matter is discussed and voted upon. The Trustee's interest and recusal shall be noted in the minutes, which shall be publicly available.

**Section 8.05     Contracts or Transactions with the University.** (a) A contract or transaction between the University and a Trustee, family member or an entity in which a Trustee or family member has a beneficial interest of ten percent (10%) or more and the contract or transaction is valued at \$10,000 or more must be approved by the Board of Trustees in accordance with this Section. The University official responsible for the matter must first conclude that it is in the best interests of the University to consider entering into such a contract or transaction. In circumstances where the Trustee, family member or related entity is purchasing goods or services from the University, as opposed to selling such goods or services, the matter is presumptively in the University's interests if the price is fair and reasonable and the contract or transaction does not foreclose a similar transaction with another individual or entity. In other circumstances where the University is purchasing goods or services, the officer must first explore alternatives that do not involve an interest of the Trustee, family member or entity in which the Trustee or family member owns a beneficial interest of ten percent (10%) or more. If, after exercising such due diligence, the official determines that it is in the best interests of the University to proceed, the matter must be submitted to the Board for approval. The written materials submitted to the Board shall include

a description of the contracting process, including the use of open and public bidding if possible and practical, and the official's analysis of why it is in the best interests of the University to proceed with the agreement or relationship. The interested Trustee shall leave the meeting during the discussion and voting. The Board shall determine by a majority vote of the disinterested Trustees whether the transaction or arrangement is in the University's best interests, the price and value provided are fair and reasonable to the University and whether to approve the transaction or arrangement. Any such decision shall be recorded in the minutes, which shall be publicly available.

**(b)** Contracts or transactions of less than \$10,000 between the University and a Trustee, family member or an entity in which the Trustee or a family member has a beneficial interest of ten percent (10%) or more will be disclosed to the Board of Trustees annually in a written report which shall be available to the public. The report shall include a certification by the appropriate officers of the University that such contracts or transactions were made in the normal course of business and were fair to the University.

**Section 8.06     Annual Statements.** Each Trustee shall annually sign a statement that affirms that such Trustee (a) has received a copy of the Board's conflict of interest policy as expressed in this Article VIII, (b) has read and understands the policy, and (c) has agreed to comply with the policy.

**Section 8.07     Fiduciary Duty.** Members of the Board of Trustees stand in a fiduciary relationship to the University which reposes special confidence in each member. Members of the Board of Trustees shall act in good faith, with due regard to the interests of the University, and shall comply with the fiduciary principles of conduct in addition to any other state or federal requirements. Trustees bring to their roles varied backgrounds and expertise, and they

are selected in different ways, but they must keep the welfare of the entire University, not just a particular constituency, at all times paramount.

**Section 8.08 Misuse of Information.** No member of the Board of Trustees shall for personal gain or benefit or for the gain or benefit of others use any information not available to the public at large and obtained as a result of service to the University.

**Section 8.09 Gifts and Favors.** No member of the Board of Trustees shall solicit or accept for personal use or for the use of others any gift, loan, gratuity, reward, promise of future employment or any other thing of monetary value based on any understanding that the vote, official action or judgment of the member would be influenced thereby.

**Section 8.10 Pre-Existing Contract or Transaction.** A contract or transaction that would be required to be disclosed under this Article but which was entered into before the interested Trustee assumed office, or which became subject to this Article as a result of amendments to the Article, and which remains to be performed in whole or in part, shall be disclosed by the Trustee pursuant to Section 8.03 but is not subject to the voting and other requirements of this Article.

**Section 8.11 Family Members as Employees.** A record of all spouses or dependent children of Trustees who are employed by the University or an affiliated entity and where compensation exceeds \$10,000 per year shall be maintained in the Office of the Board of Trustees and the names and positions but not the amount of compensation shall be posted on the University's public website.

**Section 8.12 Employment of Trustees.** No Trustee may be employed by the University in any capacity before the fifth (5th) anniversary of the date on which such person last served as a Trustee, except as approved by action of the Board of Trustees.

**Section 8.13 Disclosure of Potential Conflict of Interest by Employees of the University.** Employees of the University shall exercise the utmost good faith in all transactions touching upon their duties to the University and its property. In their dealings with and on behalf of the University, they shall be held to a strict rule of honest and fair dealings between themselves and the University. They shall not use their positions, or knowledge gained therefrom, in such a way that a conflict of interest might arise between the interest of the University and that of the individual. Employees shall disclose to the administrative head of the college or other unit in which they are employed, or other appropriate superior officer, any potential conflict of interest which they are aware before a contract or transaction is consummated. This bylaw shall be published to the University community at least once annually.

**Section 8.14 Consultation.** Any Trustee or University official may consult with the Secretary of the Board or the University General Counsel concerning the interpretation or application of any of the provisions of Article VIII.

## **ARTICLE IX**

### **AMENDMENTS**

**Section 9.01 Amendments.** These Bylaws may be amended, altered or repealed, and new bylaws may be adopted, by the Board of Trustees at any regular or special meeting. Except as specifically set forth in Section 4.01, no provision of these Bylaws shall vest any property or contract right in any person.



## BYLAWS AMENDMENT HISTORY

May 6, 2016	Amended and Restated Bylaws adopted
November 4, 2016	Section 3.03(f)(vi) amended
July 21, 2017	Section 5.09 amended
November 10, 2017	Sections 2.12, 4.01 and 4.02 amended
May 3, 2019	Sections 5.09 and 8.01 amended
November 15, 2019	Section 2.01(b) amended
May 8, 2020	Sections 3.03 and 5.09 <del>amended</del> <u>a—amended</u>
<u>September 18, 2020</u>	<u>[List sections amended]</u>

**Standing Orders of the Board of Trustees**

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**As Amended as of ~~September 14, 2018~~ [date]**

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## **STANDING ORDERS OF THE BOARD OF TRUSTEES**

### **ORDER I. PROCEDURES FOR THE ELECTION OF TRUSTEES BY ALUMNI (see also the Charter)**

- (1) **Date of Election.** Elections for alumni members of the Board of Trustees shall be held each year on the day preceding the annual Commencement, under the direction of two judges annually appointed for that purpose by the Chair of the Board of Trustees, and may be held either in connection with the Delegate Convention for the election of other members of the Board, or at such other hour of the same day, and such other place, as the Chair of the Board of Trustees may from time to time direct.
- (2) **Nominations.** The Secretary of the Board of Trustees, or such other officer as may be from time to time designated by the Chair of the Board of Trustees, shall send to each qualified elector, as established in the Charter, whose email address is known a notice stating the date at which the next election will be held and the names of alumni trustees whose terms will expire by law on the thirtieth day of June next following. Such notice shall be sent each year not less than ninety days preceding the date on which such election is to be held, and shall invite nominations for vacancies then to occur. All persons who are nominated by as many as 250 electors shall be announced as soon as practical after the tenth day of April each year in a circular sent to all electors, with a form of ballot.
- (3) **Form of Ballot.** Only the official nominating and voting ballots may be used to nominate and vote for candidates.
- (4) **Position on Ballot.** Immediately after the last day fixed for depositing ballots to nominate candidates for alumni trustee, the Chair of the Board of Trustees shall fix a day and hour for casting lots for the position of names upon the election ballots. The Secretary of the Board of Trustees shall give at least three days' notice of said date and hour to all candidates nominated. Any candidate may appear in person or by a representative duly authorized in writing. In the event that any candidate is not present in person or by duly authorized representative at the time of casting of lots, it shall be the duty of the Secretary to appoint some person to represent such absentee. After said lots are cast, the Secretary shall accordingly establish the order in which the names of said candidates are to appear on the election ballot.
- (5) **Designation of Incumbents.** Incumbents shall not be identified as such on election ballots, but biographical sketches shall identify incumbents with an asterisk.
- (6) **Position in Booklet of Biographical Sketches.** Candidates' names shall be in alphabetical order in any publication of biographical sketches.
- (7) **Duplicate Ballots.** A duplicate ballot may be issued to a voter only on a written or personal application to the Secretary of the Board of Trustees stating that the original ballot has been lost, mutilated, or destroyed.

- (8) Deadline for Receipt of Nominations. Ballots for the nomination of alumni trustees must be received at the office of the Secretary of the Board of Trustees before 5:00 p.m., February 25.
- (9) Candidate May Withdraw Name. Each candidate nominated shall be given the privilege of withdrawing his/her name.
- (10) Election Returns. All ballots for alumni trustees returned to the proper official in response to said circular and received by him/her on or before the day of election shall be safely kept by him/her, and by him/her delivered at the time and place of election to the two judges selected by the Chair of the Board of Trustees and shall by them be counted as cast at that time and place. Said judges shall make return to the Board of Trustees of the persons for whom ballots have been cast, either by letter or by electors in person, with the number of votes for each person; and the Board of Trustees shall thereupon determine and declare what persons have been elected to fill the vacancies aforesaid. A plurality of votes only shall be required to elect and, in case of an equality of votes between two or more candidates, the person or persons who shall hold said office or offices of trustee shall be designated by ballot of the Board of Trustees.
- (11) Announcement of Results. The names of the winning candidates in the election shall be given publicity in the public press. The names of all candidates and the number of votes received by each shall be made available for publication.
- (12) Electronic Notices and Voting. In order to be good stewards of the limited financial resources of the University, electronic mail may be used to communicate any required notices or other correspondence under this Order I and an electronic balloting and voting process may be used so long as reasonable accommodations are made to permit any qualified elector without access to electronic mail to participate in the election.

**ORDER II. PROCEDURES FOR THE ELECTION OF BUSINESS AND INDUSTRY TRUSTEES (see also *the Charter and the Bylaws*)**

The Selection Group on Board Membership for Business and Industry Trustees shall be composed of five seated Trustees (three Trustees representing business and industry endeavors excepting those standing for reelection; and two trustees from among those elected by the alumni, elected by agricultural associations, or appointed by the Governor). The Selection Group, the membership of which shall be disclosed to the Board of Trustees, shall be appointed annually in July by the Chair of the Board of Trustees for the purpose of recommending, in accordance with guidelines established by the Board of Trustees from time to time, two candidates for membership on the Board of Trustees representing business and industry endeavors. The names and qualifications of the candidates shall be submitted for confirmation by the Board of Trustees (for approval or rejection of recommended candidates only).

The Office of the Board of Trustees shall annually announce to the full Board the opportunity to nominate candidates for consideration by the Selection Group, and shall afford the full Board at least thirty days to submit such nominations in advance of the Selection Group's deliberations. In addition to nominations received from individual trustees, the Selection Group may cultivate additional candidates, including persons nominated in previous years for membership on the Board as a representative of business and industry. The Selection Group and any trustee submitting a nomination shall treat as confidential the identity of nominees. The Selection Group's efforts to develop business and industry candidates may continue through the end of the month of June following the year of its appointment.

The Board of Trustees shall publicly report the number (but not the names) of candidates considered by the Selection Group.

The election of trustees representing business and industry endeavors shall be held at the May meeting of the Board of Trustees.

**ORDER III. PROCEDURES FOR THE ELECTION OF TRUSTEES BY AGRICULTURAL DELEGATES** (*see also the Charter and the Bylaws*)

The Charter of the Board of Trustees of The Pennsylvania State University provides for the election of six trustees who represent the organized agricultural societies or associations in the Commonwealth ("Agricultural Organizations").

- (1) Date of Election. Election for two members of the Board of Trustees representing agricultural interests shall be held each year on the Thursday prior to the day for the annual Spring Commencement, under the direction of two judges annually appointed for that purpose by the Chair of the Board of Trustees.
- (2) Delegates. Agricultural Organizations are not entitled to send delegates to participate in the election of Trustees unless they have at least fifteen (15) members in good standing and have been organized and in existence at least twelve (12) months preceding the election, and have duly notified the Secretary of the Board of Trustees of this fact at least sixty days prior to the election. Each Agricultural Organization is invited to send up to three delegates to participate in the election; provided, however, that if an Agricultural Organization has more than fifteen (15) members in good standing in more than one county, such Agricultural Organization may send up to three delegates from each such county and provided, further that the maximum number of delegates that may be sent by any Agricultural Organization to participate in the election shall be nine (9). Each Delegate must be a member of the Agricultural Organization that he or she represents. Employees of The Pennsylvania State University are not permitted to serve as delegates. The secretary or another authorized officer of each Agricultural Organization shall provide proof to the Secretary of the Board of Trustees, in form and substance satisfactory to the Secretary of the Board of Trustees, of the authority and eligibility of each delegate sent by such Agricultural Organization to participate in the election. No proxies are permitted.

- (3) Candidates. Each Candidate must be an active member of an Agricultural Organization. Individual candidates are invited to notify the Secretary of the Board of Trustees by February 25 of each year. The names of the candidates (along with a biographical sketch and position statement for each candidate, the agenda for the meeting, and the governance provisions for the election) will be distributed to the secretaries or other authorized officers of each Agricultural Organization whose contact information is on file with the Secretary of the Board of Trustees in advance of the election in order to better inform Agricultural Organization delegates.
- (4) Nominations. Nominations will be required for all trustee candidates on the day of the election. Nominations of additional candidates not included in the election mailing are also permitted.
- (5) Registration. The names of the delegates representing each Agricultural Organization must be provided by the secretary or another authorized officer of such Agricultural Organization to the Secretary of the Board of Trustees, in a form approved by the Secretary of the Board of Trustees, at least 30 days prior to the election. An Agricultural Organization may amend its submission after that time but in no event shall changes be accepted if received by the Secretary of the Board of Trustees after 4:00 p.m. on the Monday prior to the election. Delegates must present a valid Pennsylvania driver's license or some other form of photo identification acceptable to the Secretary of the Board of Trustees in order to participate in the election, and may be registered as a delegate of only one Agricultural Organization and in only one county.
- (6) Eligibility and Voting. Only those delegates in attendance and duly registered are permitted to participate in the election and voting. The following provisions also apply:
- (i) Each county is permitted a maximum of three votes for the candidates.
  - (ii) If a county is represented by more than three delegates, a caucus is required to determine the three from their number who will represent the county.
  - (iii) If fewer than three delegates represent a county, the county is permitted only as many votes as there are delegates.
  - (iv) Each voter must vote for two nominated candidates. Any ballot indicating a vote for a single candidate shall not be counted.
- (7) Announcement of Results. The names of the winning candidates in the election shall be given publicity in the public press. The names of all candidates and the number of votes received by each shall be made available for publication.

**ORDER IV. PROCEDURES FOR THE ELECTION OF THE STUDENT TRUSTEE (see also the Charter and the Bylaws)**

- (1) The Selection Group on Board Membership for the Student Trustee shall be composed of eleven members (the incumbent Student Trustee, the President of the University Park Undergraduate Association, the President of the Graduate and Professional Student Association, the President of the Council of Commonwealth Student Governments and the ~~Vice—President of the University Park Undergraduate~~World Campus Student Government Association ~~or the Council of Commonwealth Student Governments, as appropriate, then serving on a committee of the Board of Trustees~~ (the “Core Committee”) plus six at-large undergraduate, graduate or professional student members selected by the Core Committee. The Selection Group shall recommend, in accordance with guidelines established by the Selection Group and approved by the Committee on Governance and Long Range Planning of the Board of Trustees from time to time, a preferred candidate for membership on the Board of Trustees representing the student body of the University.<sup>1</sup>
- (2) Three trustees to be appointed by the Chair of the Board of Trustees (including the incumbent Student Trustee) shall interview the preferred candidate (and, if necessary, any alternate candidates) and shall forward the recommended candidate’s name to the Committee on Governance and Long Range Planning of the Board of Trustees, which shall make a recommendation to the Board of Trustees.
- (3) The name and qualifications of the candidate recommended by the Committee on Governance and Long Range Planning shall be submitted for confirmation by the Board of Trustees (for approval or rejection of the recommended candidate only). It is expected that the Committee on Governance and Long Range Planning would recommend, and the Board of Trustees would approve, the candidate recommended by the Selection Group unless issues with the recommended candidate’s background check, student conduct issues, academic standing issues or other issues arise or exist that in the opinion of the Board of Trustees would make the preferred candidate unsuitable for service on the Board of Trustees. The Selection Group shall treat as confidential the identities of all candidates.
- (4) The election of the Student Trustee shall be held at the May meeting of the Board of Trustees.

**ORDER V. PROCEDURES FOR THE ELECTION OF THE ACADEMIC TRUSTEE**  
*(see also the Charter and the Bylaws)*

- (1) The University Faculty Senate shall recommend, in accordance with procedures and guidelines established by the Faculty Senate and approved by the Committee on Governance and Long Range Planning of the Board of Trustees from time to

<sup>1</sup> The Guidelines ~~to be adopted will~~ provide that the Selection Group would identify a preferred candidate and two ranked candidates.

time, a preferred candidate for membership on the Board of Trustees representing the faculty of the University.<sup>2</sup>

- (2) Three trustees to be appointed by the Chair of the Board of Trustees shall interview the preferred candidate (and, if necessary, the alternate candidates) and shall forward the recommended candidate's name to the Committee on Governance and Long Range Planning of the Board of Trustees, which shall make a recommendation to the Board of Trustees.
- (3) The name and qualifications of the candidate recommended by the Committee on Governance and Long Range Planning shall be submitted for confirmation by the Board of Trustees (for approval or rejection of the recommended candidate only). It is expected that the Committee on Governance and Long Range Planning would recommend, and the Board of Trustees would approve, the candidate recommended by the Faculty Senate unless issues with the recommended candidate's background check or other issues arise or exist that in the opinion of the Board of Trustees would make the preferred candidate unsuitable for service on the Board of Trustees. The Faculty Senate shall treat as confidential the identities of all candidates.
- (4) The election of the Academic Trustee shall be held at the May meeting of the Board of Trustees.

**ORDER VI. PROCEDURES FOR THE ELECTION OF AT-LARGE TRUSTEES (see also the *Charter and the Bylaws*)**

The Selection Group on Board Membership for At-Large Trustees shall be composed of five seated Trustees (one Trustee elected by the alumni, one Trustee representing business and industry endeavors, one Trustee elected by agricultural associations, one Trustee appointed by the Governor, and one Trustee from among the group of the Student Trustee, the Academic Trustee, the Trustee serving ex officio by virtue of his or her past presidency of the Penn State Alumni Association and the At-Large Trustees, if any). The Selection Group, the membership of which shall be disclosed to the Board of Trustees, shall be appointed annually in July by the Chair of the Board of Trustees for the purpose of recommending, in accordance with guidelines established by the Board of Trustees from time to time, a candidate for at-large membership on the Board of Trustees. The name and qualifications of the candidate shall be submitted for confirmation by the Board of Trustees (for approval or rejection of recommended candidate only).

The Office of the Board of Trustees shall annually announce to the full Board the opportunity to nominate candidates for consideration by the Selection Group, and shall afford the full Board at least thirty days to submit such nominations in advance of the Selection Group's deliberations. In addition to nominations received from individual trustees, the Selection Group may cultivate additional candidates,

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<sup>2</sup> The Guidelines ~~to be adopted will~~ provide that the Faculty Senate would identify a preferred candidate and two ranked candidates.



including persons nominated in previous years for membership on the Board. The Selection Group and any trustee submitting a nomination shall treat as confidential the identity of nominees. The Selection Group's efforts to develop trustee candidates may continue through the end of the year of its appointment.

The Board of Trustees shall publicly report the number (but not the names) of candidates considered by the Selection Group.

The election of at-large trustees shall be held at the May meeting of the Board of Trustees.

**ORDER VII. RULES AND REGULATIONS FOR THE CONDUCT OF PUBLIC MEETINGS OF THE BOARD OF TRUSTEES, ITS STANDING COMMITTEES AND ITS SPECIAL COMMITTEES**

- (1) Meetings Open to the Public. A meeting of the Board of Trustees, its Executive Committee, its Standing Committees, its Subcommittees and its Special Committees shall be open to the public as required by applicable law.
- (2) Annual Public Notice of All Meetings. Public notice of the date, time, and place of all regularly scheduled public meetings of the Board of Trustees, its Executive Committee, its Standing Committees, its Subcommittees and its Special Committees for the calendar year shall be published annually in all daily newspapers of general circulation published in Centre County, and in at least one daily newspaper of general circulation in Pennsylvania, as required by law. Such notice for public meetings at locations other than University Park shall be published in a daily newspaper of general circulation in the political subdivision in which such meetings are to be held. Notice of all regularly scheduled public meetings shall also be posted on the University's website at the same time as such notice is published in the newspaper.
- (3) Public Notice of Individual Meetings. Public notice of the date, time, and place of each regular meeting shall be given and published in the daily newspapers of general circulation as indicated above, at least three days prior to the time of each regularly scheduled meeting, and at least twenty-four hours prior to the time of the meeting in the case of special or rescheduled meetings. This provision shall not apply in case of a meeting called to deal with an emergency involving a clear and present danger to life or property. Notice of all special meetings shall also be posted on the University's website at the same time as such notice is published in the newspaper.
- (4) Posting of Notices. ~~Public notice~~Notice of all public meetings of the Board of Trustees, its Executive Committee, its Standing Committees, its Subcommittees and its Special Committees shall be posted at the offices of the Secretary of the Board of Trustees at University Park, Pennsylvania, as required by law.

- (5) News Media Notices. Notice of the date, time, and place of meetings shall be furnished on request to any newspaper publishing in the political subdivision in which the meeting will be held and to any radio and television station which regularly broadcasts into the political subdivision (Centre County in the case of meetings at University Park).
- (6) Notice to Others. Notice of meetings shall also be furnished to anyone providing a stamped, self-addressed envelope prior to the meeting.
- (7) Meeting Room. Except for telephonic meetings, public meetings of the Board of Trustees, its Executive Committee, its Standing Committees, its Subcommittees and its Special Committees shall be held in a room large enough to accommodate the members of the Board of Trustees, officers of the University, and invited guests. Space shall also be available for up to twenty-five visitors, including representatives of the news media, on a first-come, first-served basis. The room will be opened one-half hour prior to the starting time of the meeting.
- (8) Arrangements for News Media Area and Press Conferences. An area in the meeting room shall be designated by the University for use by the press and other news media, subject to such rules and regulations as the University may adopt. To further facilitate communications between the Board and the public, the Chair of the Board of Trustees and/or the President of the University shall hold press conferences as necessary following meetings of the Board of Trustees.
- (9) Visitors to the Meetings. Visitors to the meetings, including representatives of the news media, shall be present as observers, and not as participants. Any form of participation including speaking, the presentation of petitions, and the display of banners, posters, and other forms of signs is prohibited. This rule does not apply to guests invited by the Chair of the Board of Trustees or the President of the University.
  - (a) The Chair of the Board of Trustees or the President of the University shall be authorized to invite non-voting faculty representatives, non-voting student representatives or other constituent representatives to attend and participate in the meetings of standing committees, subcommittees and of special committees, except executive sessions. The representatives shall be selected by the Chair of the Board of Trustees in such manner as he/she deems appropriate.
  - (b) Public Comment
    - (i) The Board of Trustees welcomes the opportunity for expression of public views on issues before the Board. To accommodate such expression the Board shall reserve a portion of its regular meeting cycle for individuals who wish to address the Board.
    - (ii) All persons wishing to speak must preregister by completing a Request to Address form and submit it to the Office of the Secretary of the Board

of Trustees no later than 9:00 a.m. on the Wednesday preceding the meeting. The Secretary of the Board of Trustees will review this request and notify the person making the request whether he/she may give public comment at such meeting. The Board will allow up to thirty minutes for public comment per meeting. An individual speaker will be permitted up to three minutes for a presentation. This will be strictly adhered to with assistance of a timekeeper. Thus, a maximum of ten speakers will be scheduled for each Board meeting.

- (iii) When the number of requests to address the Board of Trustees at a given session exceeds the time available, requests will be approved based on the date the written request was received by the Secretary of the Board. In addition, preference will be given to subject matters that relate to the agenda for the relevant Board meeting and to avoid repetitiveness.
  - (iv) The exact time of the public comment period will be set by the Chair of the Board, after consideration of the number of speakers and other matters on the Board's agenda. All public comments will be recorded.
  - (v) The Board will not hear presentations that include, in whole or in part, the following topics: the employment status of any specific individual; statements concerning the private activities, lifestyles or beliefs of any specific individual employed by or associated with the University; or grievances relating to any individual student or employee. In addition, the Board will not entertain requests to participate in the public comment period by a party to any pending or threatened litigation or any administrative or other proceeding to which the University is a party, or by legal counsel for such party.
  - (vi) Speakers who comply with the Board's rules will have their remarks archived and made available on the Board's website, with such posting to be made as soon as practicable. Remarks by speakers who do not comply with the Board's rules will not be archived or made available on the Board's website. The decision on whether a speaker has or has not complied with the Board's rules will be made by the Chair of the Board, in consultation with the Secretary of the Board and the Chair of the Committee on Outreach, Development and Community Relations.
  - (vii) The Chair of the Board of Trustees shall have the authority to modify the provisions of this subsection (b) in his or her discretion to permit additional speakers, extend the public comment session and to make such other accommodations as may be necessary or advisable in his or her opinion to achieve the purposes of the public comment period.
- (10) Photographic and Recording Equipment. Visitors to the meeting, including representatives of the news media, shall be allowed to use battery-operated audio

tape recorders, television cameras and photographic equipment subject to the following regulations:

- (a) A designated area in the meeting room shall be used by all visitors to the meeting using television cameras or photographic equipment.
  - (b) Television cameras and related equipment shall be allowed entry into the meeting room for set up purposes during the one-half hour period prior to the starting time of the morning and afternoon meetings. Television cameras and related equipment shall not be allowed entry into the meeting room after the starting time of the meeting, except during the course of a meeting recess, in which event entry will be permitted.
  - (c) Television cameras and photographic equipment shall be required to use available light during the meeting. Artificial lighting and flashes shall not be used during the meeting.
  - (d) No voice-over broadcasting shall be permitted during the meeting.
- (11) Procedures for Committee Meetings and Board Meetings. In conducting the business of the Board of Trustees, its Standing Committees, and its Special Committees, the procedures for the meetings of the Standing Committees and the Special Committees shall provide for full discussion of both information and action items. Following discussion of action items, Standing Committees will vote to recommend an action to the Board of Trustees. Subcommittees and Special committees recommend action to Standing Committees-, except as specifically authorized by the Board of Trustees. The Board of Trustees meeting will be devoted primarily to (a) taking formal action on committee and subcommittee recommendations as a block, with Board members having the opportunity to raise questions concerning any of the recommended action items and to call for a separate vote on a given item; (b) considering and acting upon matters which have not come to the Board through a Standing Committee; and (c) receiving the report of the President of the University. The vote of each member of the Board or of a committee on any resolution, rule, order, regulation, ordinance or the setting of official policy must be publicly cast and, in the case of a roll call vote, recorded. From time to time, the Board of Trustees, executive committee, standing committees and subcommittees may hold conferences, which need not be open to the public, for the purposes of providing training and information to Trustees on matters directly related to their official responsibilities; provided, however, that no “deliberations” (as defined in the Pennsylvania Sunshine Law) of University business may occur at a conference.
- (12) Agenda for the Meetings. The agenda and supporting material for ~~the~~public meetings of the Board of Trustees, its Executive Committee, its Standing Committees, Subcommittees and its Special Committees shall be available to the public (both in hard copy at the meeting and online) at the time of the meetings. In addition to making available to the public at the time of the meeting the agenda and

supporting material, the University will make available five days in advance of the meeting an agenda of items to be considered with a note that the agenda of items is subject to change without notice prior to the meeting.

- (13) Executive Sessions. The Board of Trustees, its Executive Committee, its Standing Committees, its Subcommittees and its Special Committees may hold ~~an~~ executive ~~session~~sessions as permitted by applicable law. Attendance at executive sessions shall be limited to voting members of the Board of Trustees, its Executive Committee, its Standing Committees, Subcommittees and its Special Committees, as the case may be, unless the presiding officer of the Board or of such Executive Committee, Standing Committee, Subcommittee or Special Committee otherwise directs.
- (14) Maintaining Order. The presiding officer at public meetings of the Board of Trustees, its Executive Committee, its Standing Committees, its Subcommittees and its Special Committees shall have the authority to maintain order during the public meeting. Any person who, in the opinion of the presiding officer, prevents, disturbs, or interrupts a public meeting may be requested to leave the public meeting, and, upon failure to comply, may be subject to forcible removal and/or arrest for violation of applicable law.
- (15) Minutes of Public Meetings. The minutes of public meetings of the Board of Trustees, its Executive Committee, its Standing Committees, its Subcommittees and its Special Committees shall be available for inspection and copying during regular business hours at the office of the Secretary of the Board of Trustees. A copy of minutes of public meetings shall be available to a member of the public upon payment of the reasonable cost of reproduction.
- (16) Revisions in the Rules and Regulations for Public Meetings. The Board of Trustees will periodically review the Rules and Regulations for the Conduct of Public Meetings and make such revisions as experience indicates are appropriate and desirable.

#### **ORDER VIII. GOVERNANCE OF THE UNIVERSITY**

- (1) Role of the Board of Trustees in University Governance
  - (a) Guiding Policies. In the exercise of its responsibilities, the Board of Trustees shall be guided by the following policies:
    - (i) Delegation of authority. As set forth in the Bylaws, the authority for day-to-day management and control of the University, and the establishment of policies and procedures for the educational program and other operations of the University, is delegated to the President of the University, and by him or her either by delegation to or consultation with the faculty and the student body in accordance with a general directive of the Board of Trustees.

- (ii) Advisor to the President. It is the duty of the Board of Trustees to advise the President on any University matter.
- (b) Responsibility to Inform the Citizens of Pennsylvania. The Board of Trustees shall inform the citizens of the Commonwealth of Pennsylvania of the University's performance of its role in the education of the youth of Pennsylvania.
- (c) Responsibility for Development of Effective Relationships. The Board of Trustees shall assist the President in the development of effective relationships between the University and the various agencies of the Commonwealth of Pennsylvania and the United States of America which provide to the University assistance and direction.
- (d) Expectations of Membership. In exercising the responsibilities of trusteeship, the Board of Trustees is guided by the expectations of membership, each of which is equally important. It is expected that each Trustee will:
  - (i) Understand and support the University's mission, vision, and values;
  - (ii) Act in good faith at all times and in the best interests of the University, maintain independence from external stakeholders and act without regard to the manner in which such Trustee was appointed or elected to the Board of Trustees;
  - (iii) Make the University a top philanthropic priority to the very best of one's personal ability and fulfill on a timely basis all financial obligations and pledges of support to the University;
  - (iv) Prepare diligently, attend faithfully, and participate constructively in all Board of Trustees meetings and related activities by reading the agenda and supporting materials;
  - (v) Speak openly, freely and candidly within the Board, while being mindful that any public dissent from Board decisions must be done in the context of being trusted stewards of a public institution. Because a University is a free marketplace of competing ideas and opinions, its governance mandates open communication as well as principled, civil and respectful debate. At the same time, trustees must always protect and act in the best interest of the University, being cognizant that the tone and substance of their words reflect on the University that they are dedicated to serve and have consequences on its overall wellbeing.
  - (vi) Make decisions and instruct the administration collectively as the governing body of the University; it being recognized and

understood that unless specifically authorized by the Board or the Chair, no individual trustee has the authority to direct administrators with respect to the performance of their duties for the University or to otherwise act on behalf of the University or the Board;

- (vii) Participate regularly in events that are integral parts of the life of the University community;
- (viii) Disclose promptly and fully any potential or actual conflicts of interest in accordance with the Board's conflict of interest policies, and personally maintain exemplary ethical standards;
- (ix) Refrain from requests of the President or staff for special consideration or personal prerogatives, including admissions, employment, and contracts for business;
- (x) Maintain the confidentiality of confidential information without exception; it being recognized and understood that for this purpose "confidential information" includes nonpublic information concerning the University, including its finances, operations and personnel, as well as nonpublic information about internal Board discussions and dynamics;
- (xi) Advocate the University's interests, but speak for the Board or the University only when authorized to do so by the Board or the Chair; it being recognized and understood that it is important for the Board of Trustees to convey a consistent message and that the Chair of the Board of Trustees or his or her designee serves as the spokesperson for the Board;
- (xii) Respect University policies relating to the acquisition of information and communication; it being recognized and understood that all such information should be used only for purpose consistent with such Trustee's duties and responsibilities to the University; and
- (xiii) Extend goodwill to one another and to all members of the University community.

Regular attendance at meetings by members of the Board is expected. If a member of the Board is unable to attend at least four of the six scheduled meetings each year, such Board member should discuss with the Chair of the Board of Trustees the question of his or her ability to continue attendance appropriate to a Trustee.

For violation of the Board's expectations of membership as set forth in Standing Order VIII(1)(d), the chair of the Board, in consultation with the Board's vice-chair, shall have the discretion to take any or all of the following actions:

1. Remove a trustee from any Board leadership position, including the positions of chair or vice-chair of any committee or subcommittee;
2. Remove a trustee from any committee, subcommittee or other Board assignment;
3. Pursue the adoption of a full Board resolution, or publicly issue a letter from the chair, censuring the offending trustee;
4. Privately issue a letter of censure with or without notice to the Board; in the case of a private letter of censure with notice to the Board, the letter would be confidential, and Board members would be requested to maintain the confidentiality of the communication; and/or
5. Discuss the breach with the offending trustee and without notice to the Board.

Before taking any of the above-described actions (1) – (3), the chair of the Board shall also consult with the chair and vice-chair of the Committee on Governance and Long-Range Planning and, in the case of an action described in (2) above, with the chair of any affected Committee. In the event that the chair or vice chair of the Board, the chair or vice chair of the Committee on Governance and Long-Range Planning or the chair of any affected Committee is the subject of the action to be taken, such individual would be recused from participating in any such consultation.

Additionally, before taking any of the above-described actions, the chair and vice-chair of the Board shall communicate with the offending trustee to specify the nature of the perceived offense, to clarify the expectations of Board leadership, and to provide an opportunity for the trustee to explain his/her actions and otherwise respond to the alleged violation. In deciding whether to impose a sanction for violation the expectations of membership, the Board chair shall take into account the position of the trustee charged with the violation, and shall also consider whether the violation is a first-time, or repeated, offense, the public or private nature of the offense and the severity of the injury or potential injury to the Board or the university arising from the violation.

The imposition of any sanctions hereunder for violation of the Board's expectations of membership shall not inhibit the capacity of the Board to remove a trustee pursuant to §2.03 of the Bylaws for any misconduct that constitutes a breach of a trustee's fiduciary duties.



- (e) Final Responsibility of the Board. The Board of Trustees is the final repository of all legal responsibility and authority to govern the University, under the laws of Pennsylvania. It can delegate but it cannot abandon this responsibility and authority. The Board has the responsibility and duty to direct all organizations and persons participating in governing the University, whether such participation be in the establishment of policies, rules, and regulations, or in the administration of such policies, rules, and regulations. In order to perform this responsibility and duty, and consistent with the Charter, the Board of Trustees hereby directs that governing of the University henceforth be conducted in accordance with the following general plan of organization.

(2) Internal Governance

- (a) What Internal Governance Is Concerned With. This plan of organization concerns only the internal governance of the University. It is not concerned with the operation of the Board of Trustees, with the functions of the officers of the corporation, or with the establishment of financial policy and fiscal and budgetary controls, which matters are the responsibility of the Board of Trustees, the President, and the Treasurer in accordance with established policy.
- (b) Who Performed By. The internal governance of the University shall be performed by the President and his or her administration, by the faculty, and by the student body in accordance with the delegations of authority and advisory roles hereinafter set forth.

(3) Faculty

- (a) Responsibilities. The faculty, as appropriately organized, pursuant to delegation from the President, and subject to the revisions and orders of the President, shall establish policy concerning the approval and supervision of the instructional programs including courses and curricula, academic admissions standards, graduation requirements, and scholarships and honors.
- (b) Consultation by the President. The faculty shall be consulted by the President concerning student affairs, educational policy and planning, academic personnel, and any other matter upon the request of the President.
- (c) Communication with the Board. Official faculty communication to the Board of Trustees shall be made through the President and through faculty participation on the standing committees.
- (d) Regular Meetings. In furtherance of the objective of appropriate communication among the faculty, the administration and the Board of Trustees, a meeting will be held at least once per semester, attended by the President, the Provost and the Vice President for Administration, the Chair,

Chair-Elect and Secretary of the Faculty Senate and the Chair and Vice Chair of the Board of Trustees. Any of such individuals may initiate agenda items for any such meeting.

(4) Student Body

- (a) Consultation by the President. The student body shall be consulted by the President concerning the establishment of policy for student affairs.
- (b) Communication with the Board. Official student communication to the Board of Trustees shall be made through the President and through student participation on the standing committees.
- (c) Participation in the Deliberations of the Faculty. Students may also participate in an appropriate manner in the deliberations of the faculty subject to the revisions and orders of the President.

**ORDER IX. TRUSTEES EMERITI**

- (1) Granting the Status of Trustee Emeritus to Former Members of the Board. The status of Trustee Emeritus shall be reserved for any living former member of the Board of Trustees who has served as a board member for six years or more with distinction. Trustee shall be eligible for consideration to receive such status immediately upon retirement from active service on the Board of Trustees. The Committee on Governance and Long-Range Planning shall review the service of a Trustee upon such Trustee's retirement and shall make a recommendation to the Board of Trustees. Criteria to be considered by the Committee shall include offices held, attendance record, participation in the activities of the Board, length of service, or other significant contributions to the governance of the University. The Committee may also take into account the Trustee's fulfillment of the Board's expectations of membership as set forth in these Standing Orders. Each former Chair of the Board of Trustees will be entitled to automatic trustee emeritus status upon retirement or resignation.
- (2) The election of Trustees Emeriti will be held at the September meeting of the Board of Trustees.
- (3) The status of Trustee Emeritus shall be applicable for a term of six years. At the end of such six year period, individuals who have been granted Trustee Emeritus status shall retain the title and may be invited to continue to participate in University activities and events at the discretion of the Chair of the Board of Trustees. All other privileges associated with the status of Trustee Emeritus shall expire.
- (4) Individuals with the status of Trustee Emeritus shall be invited to attend public meetings of the Board of Trustees and Standing Committees thereof and may participate at the discretion of the presiding officer of such meeting. Trustees Emeriti shall not have the right to attend executive sessions of the Board of Trustees or any Standing Committees thereof or to attend any portion of any meeting at

which attorney-client privileged discussions are held unless the presiding officer of such session determines, after consultation with counsel, that such attendance is appropriate and advisable. Trustees Emeriti shall receive or be given access to documents and other materials that are made public, and may receive or have access to the University's confidential, proprietary or attorney-client privileged materials at the discretion of the presiding officer of the meeting at which such materials are to be discussed.

- (5) Trustees Emeriti may be appointed by the Chair of the Board of Trustees, at the Chair's discretion, to serve as non-voting members of certain Standing Committees or ad hoc committees.
- (6) At the discretion of the Chair of the Board of Trustees, Trustees Emeriti shall be invited to participate in University events and activities, to serve as an advisor or mentor, to consult on University matters and/or to serve the University in such other capacities as the Chair may determine are advisable and appropriate.
- (7) The University shall reimburse Trustees Emeriti for reasonable expenses associated with service as Trustees Emeriti in accordance with policies applicable to the Board of Trustees from time to time.

#### **ORDER X. PROCESS REGARDING THE APPOINTMENT OF VICE PRESIDENTS AND DEANS**

The following process will be followed in connection with the search for, and appointment of, Vice Presidents and Deans.

- (1) Members of the Board of Trustees will be notified in writing by the President or his or her designee when a vacancy occurs. This notification shall include:
  - a. Position description/advertisement.
  - b. Roster of search committee members.
  - c. Information about any search firm engaged to assist in the search.
  - d. A description of the search process, the projected timeline and a tentative interview schedule.
- (2) When a successful finalist has been chosen, the Executive Committee of the Board of Trustees will be notified and sent the application materials of the candidate, a summary of the interview feedback and any other relevant materials, as determined by the President or the Executive Vice President and Provost.
- (3) The notice to the Executive Committee members will specify a date by which the members of the Executive Committee shall have an opportunity to express any concerns to the President. If there are no concerns, the University may proceed with the hiring and announcement of the candidate and shall introduce the hire at the next meeting of the Board of Trustees. If any Executive Committee expresses a concern with respect to a candidate, a conference call will be held at which

Executive Committee members may express their concerns and discuss any issues with the President.

- (4) The process set forth in this Standing Order X shall not be applicable to the Vice President and General Counsel. The appointment and removal of the Vice President and General Counsel shall remain subject to approval by the Board of Trustees as set forth in the Bylaws.

# Challenging Times Matched to Extraordinary Efforts



A Discussion with the Board of Trustees  
September 18, 2020



PennState

(Appendix III)



# Overview



**PennState**

(Appendix III)

# Operating a University During a Pandemic

- Intensive scenario planning resulted in actions to mitigate the negative outcomes to the extent possible. Examples:
- 3% cut in units' education and general fund budgets.
- Hiring restrictions and plan for zero GSI for faculty and staff.
- 2020-21 tuition freeze (third consecutive year for PA resident students) and reduced tuition for summer courses.
- Capital cost saving measures including delayed or deferred capital projects.
- Secured \$250 million line of credit to smooth out the financial impact.





# There Were Still Reasons to Celebrate

## *Spring and Summer Commencements*

- Penn State held virtual commencement ceremonies this spring to celebrate 14,244 new graduates university-wide; ceremony had 92,000 views in 121 countries.
- A virtual commencement ceremony in August marked the graduation of 2,868 undergraduate and graduate students.





## Career Services Supported Students With New Tools

- Implemented a comprehensive array of virtual career services, programs, and resources for students, alumni, and employers.
- Delivered the highest student and alumni attendance (839 total) at the Big 10 Virtual Career fair.
- Generated a library of grab-and-go workshops.
- Transitioned in-person career fairs to virtual format for Fall 2020.
- Developed a virtual recruitment series, *Tuesday Talks with Recruiters*, and delivered a virtual system-wide *2020 Career Development Professionals Conference*.



# Summer Enrollment Comparison

(Total Aggregate; doesn't include Hershey, Dickinson Law, and Penn College)

- Course enrollments were up for Maymester (+4%), Session I (+36%), and Session II (+17%), but the cancellation of all summer study abroad programs brought down total summer enrollment resulting in a total change of +1.0% across the university.

	June 30, 2019	June 30, 2020
University Park	16,308	16,174
Commonwealth Campuses	7,235	7,373
World Campus	9,217	9,568
Total University	32,760	33,115



# Fall Enrollment Comparison

*Total Aggregate; doesn't include Hershey, Dickinson Law, and Penn College*

	Sept. 10, 2019	Sept. 10, 2020
University Park	47,365	46,423
Commonwealth Campuses	28,658	27,159
World Campus	14,969	15,563
Total University	90,992	89,145



# Deferrals by Admitted Students

*To 2021 Spring or Fall*

	Fall 2019	Fall 2020
University Park	112	555
Commonwealth Campuses	140	466
World Campus	176	148
Total University	428	1,169



# Leave of Absence: Matriculated Students

*Total Aggregate; doesn't include Hershey, Dickinson Law, and Penn College*

	Fall 2019	Fall 2020
University Park	313	650
Commonwealth Campuses	208	319
World Campus	177	172
Total University	698	1,141



# Student Account Payments and Financial Aid

- As of Sept. 9, student accounts payments for Fall Semester 2020 of \$386.9M are trailing student accounts payments for Fall Semester 2019 of \$409.8M, a decrease of \$22.8M or 5.6%.
- Fall 2020 financial aid disbursements, which include federal, state, institutional and private funding sources, are currently at \$470M, which is on par with aid disbursement totals at this time last fall.
- Although these are indications of a reasonably solid enrollment for the fall, year-over-year differences in tuition payments and student aid can vary significantly based on when the payment due dates fall.

# Residence Life

## Residence Halls

- 10,155 students living on campus at University Park; at 72% capacity.
- 3,617 students living at the Commonwealth Campuses; at 60% capacity.



# International Undergraduate Students

New UGRD Admits from UAO		
Student Location Estimate	Count	Percent
Not US	1163	67.6%
Unknown	99	5.8%
US	458	26.6%
FA20 pool	1720	100.0%

Continuing UGRD		
Student Location Estimate	Count	Percent
Not US	2155	42.6%
Unknown	5	0.1%
US	2899	57.3%
FA20 pool	5059	100.0%





# International Graduate Students

New GRAD		
Student Location Estimate	Count	Percent
Not US	427	45.6%
Unknown	118	12.6%
US	391	41.8%
FA20 pool	936	100.0%

Continuing GRAD		
Student Location Estimate	Count	Percent
Not US	143	6.9%
Unknown	1	0.0%
US	1923	93.0%
FA20 pool	2067	100.0%



# University-wide Course Delivery Schedule

*In Fall 2020, just less than half of all course sections offered University-wide were delivered in an in-person or hybrid mode.*

- 4,868 (18.6%) course sections are fully in-person.
- 7,416 (28.3%) course sections are mixed mode, which is a combination of in-person and remote learning.
- 9,658 (36.9%) course sections are remote synchronous.
- 4,237 (16.1%) course sections are remote asynchronous.





PennState

# What will “COVID-mixed” courses look like?

Faculty share their plans

# Labs Use New Protocols and PPE

Science, engineering, health, and performing arts programs require hands-on interactions, so new protocols were developed.

- Students alternate weekly for in-person and online instruction; those not living near campus attend on Zoom.
- Lab tables have Plexiglass dividers, and students disinfect their workstations with wipes.
- Masks and gloves are required; students may also wear clear face shields for added safety.
- Classes are held outdoors, weather permitting.



# Introducing Renée Bishop-Pierce

Associate Professor of Biology  
Penn State Scranton  
Chair, Faculty Affairs Committee,  
University Faculty Senate  
Faculty, Penn State First Shanghai





# Introducing Peggy Van Meter

Associate Professor of Education  
(Educational Psychology)

Teaching EDPSY 11 for 125 students;  
class meets in the Bryce Jordan Center



# Research



# Research Expenditures and Awards

## FY20 Expenditures

FY19

\$968M

FY20

\$1007.9M

Up 4.1%

## FY21 Awards to Date

July 1 – Sept 8, 2020 Awards

FY20

\$175M

FY21

\$195M

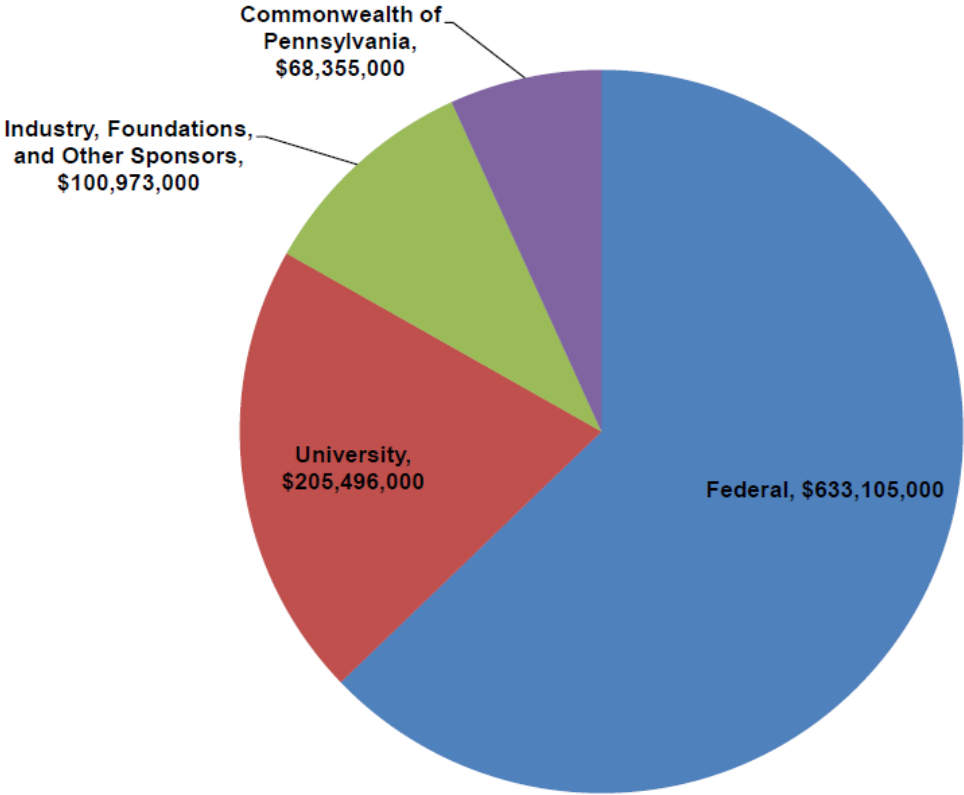
Up 11.8%



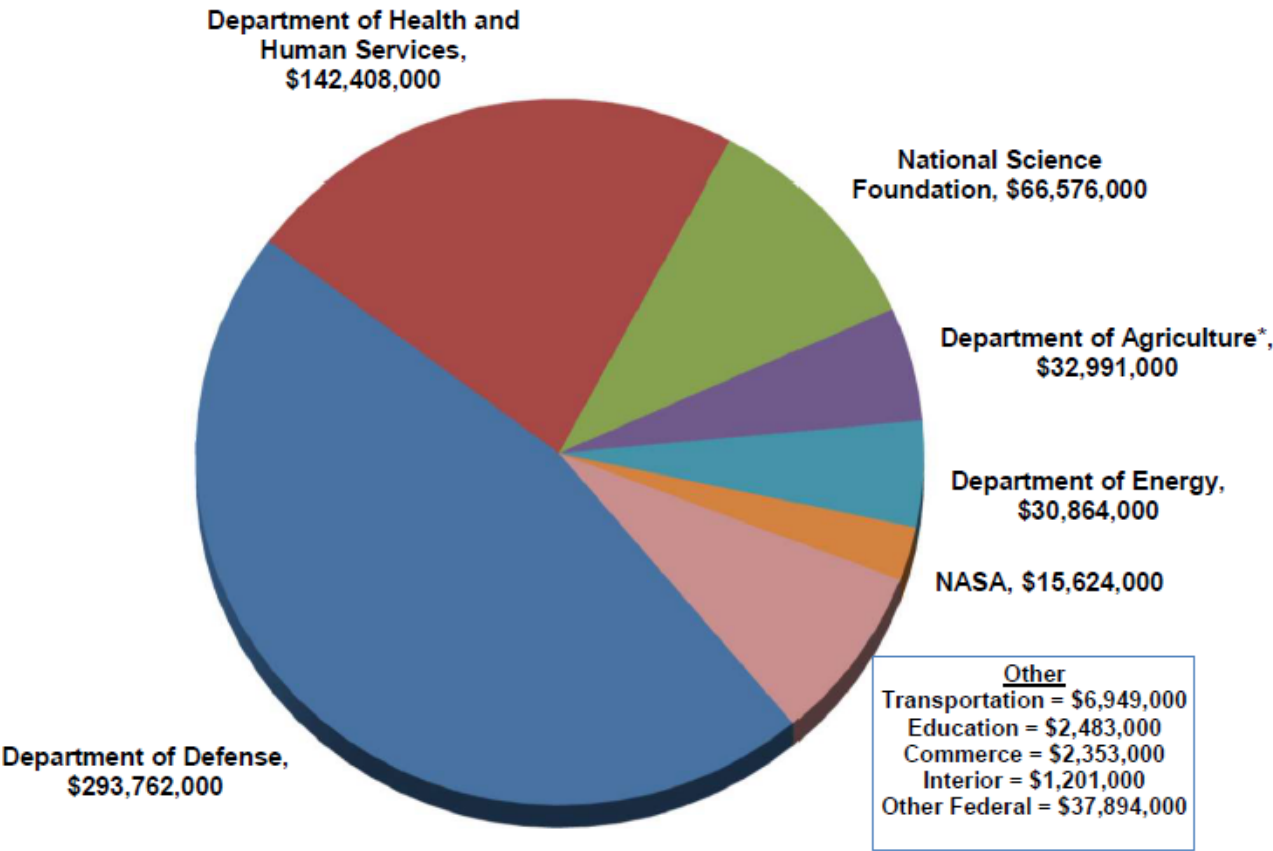


# Research Expenditures by Source of Funds

Research Expenditures by Source of Funds  
FY2020 Total = \$1,007,929,000

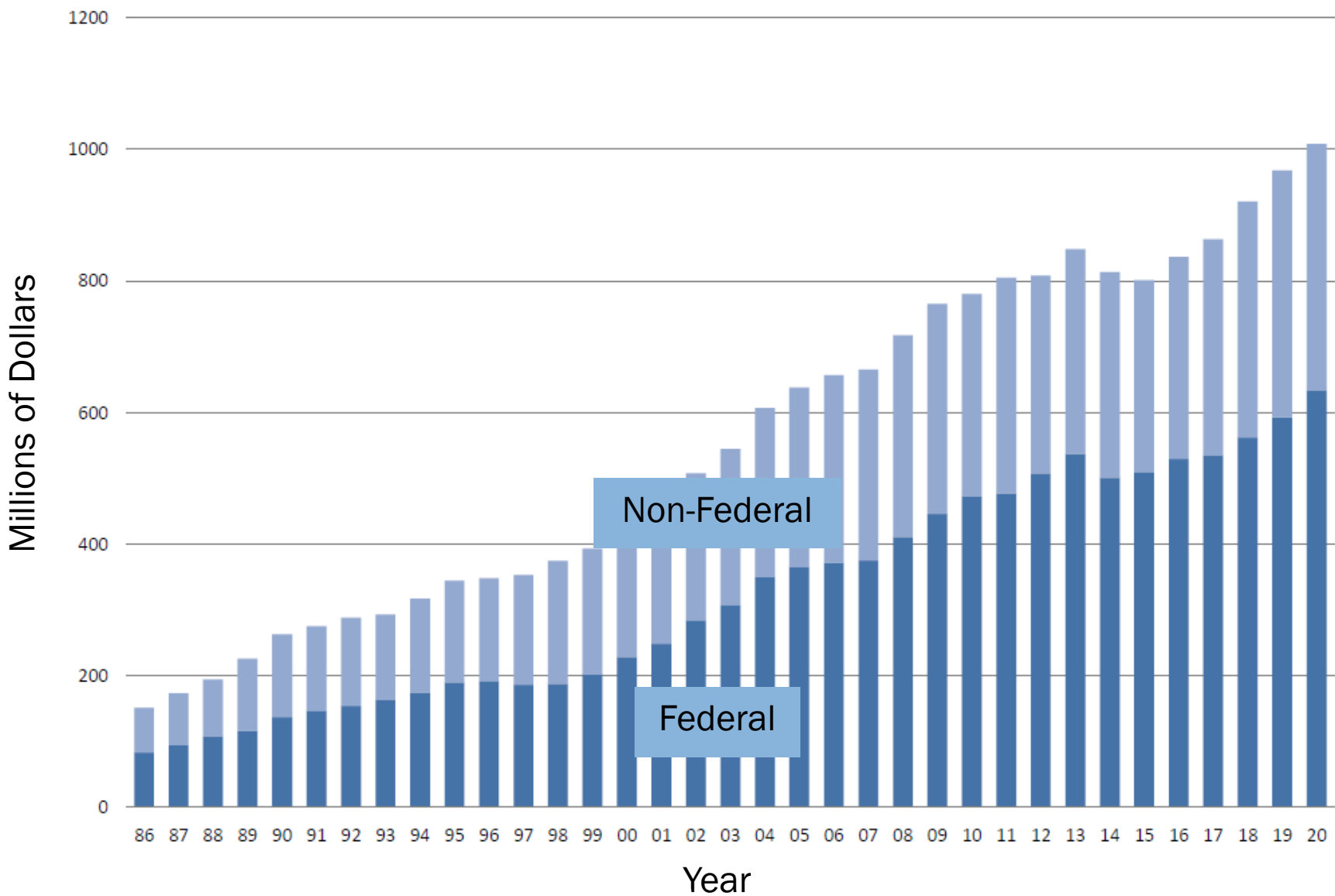


Research Expenditures from Federal Agencies  
FY2020 Total = \$633,105,000



\*Includes Federal appropriations for agricultural research

# Total Research Expenditures – 35 Year History



# COVID-19 Impacts on Research

## *Measures Taken to Ensure Continuity in the Research Enterprise*

- Sustaining safe research activities during the pandemic.
- Facilitating remote research.
- Sustaining core research facilities, which are now at ~80% of pre-COVID-19 activity; Lost Revenue >\$2M.
- Cautiously eased restrictions on undergraduates and graduate students.
- Sponsors offered ~\$16M in supplemental awards including support for grad students.



# Fund Raising in a Time of Stress



# Fiscal year 19-20 in Review

- \$381,323,670 in commitments – a new record.
- \$290,309,868 in receipts – second highest total ever.
- The Tackle Hunger Challenge raised \$213,183 in support for food pantries.
- Over \$650,000 raised for the Student Care and Advocacy Emergency Fund.
- \$15.5M raised for the new home for the Palmer Art Museum.



# A Strong Start to 2020-21

- In the first two months of this fiscal year, we have had a strong start, but COVID and the election could present challenges ahead.

Fiscal Year to Date: July 1 through August 31

	FY'20	FY'21
Receipts	\$35.3M	\$35.2M
Commitments	\$34.7M	\$32.5M
Donors	12,133	12,280
Alumni Donors	5,654	5,650

# Educational Equity Matching Program

*Raised Since July 1, 2020*

- Established four matching opportunities: 2:1 match University-wide; 2:1 match Millennium Scholars; 2:1 match Bunton-Waller; and 1:1 match Unit designation.
- As of Sept. 10, 2020, there have been 69 committed gifts totally \$5.4M with a total impact of \$12M.
- With all programs fully funded, the total impact on the university will be \$20.9M.



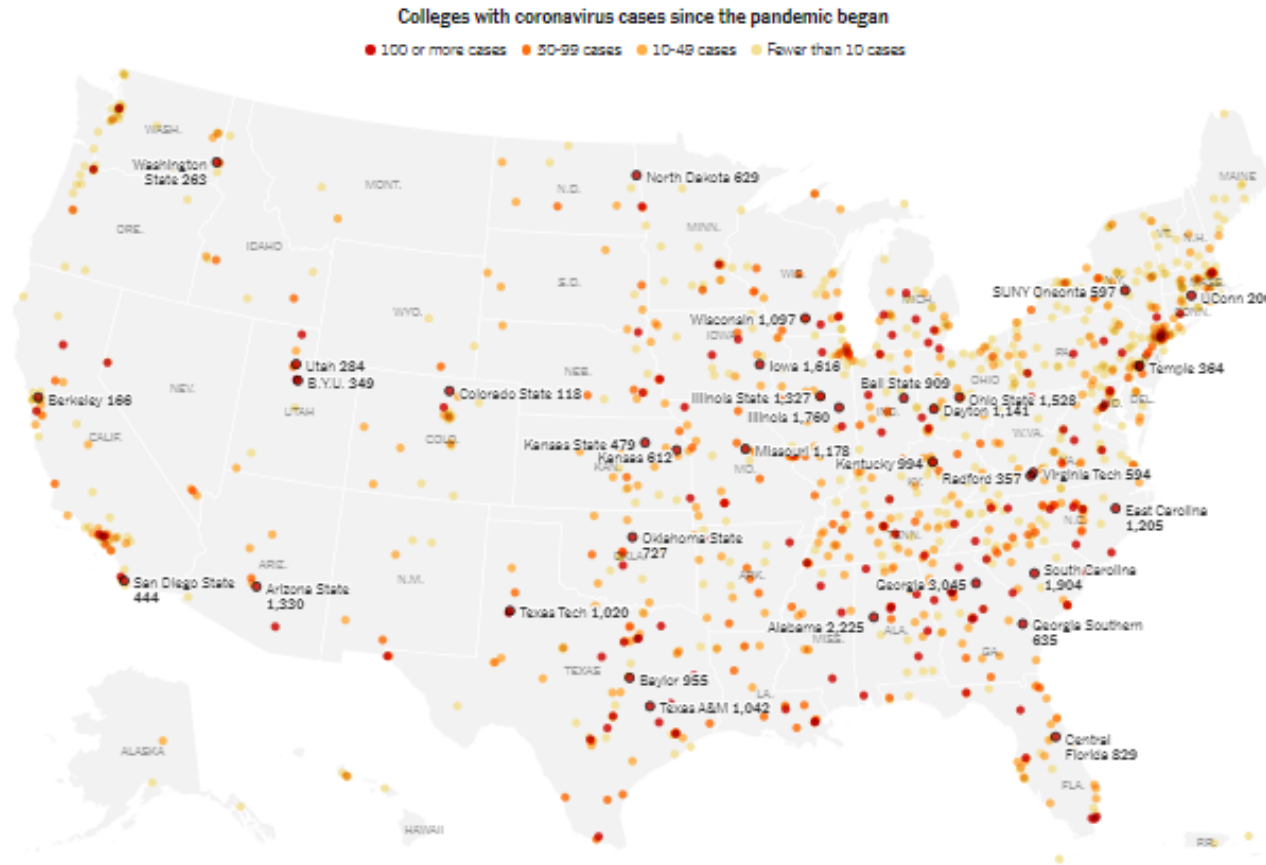


# COVID-19 Planning





# COVID-19 is on College Campuses



More than 88K cases have been linked to 1,190+ U.S. Colleges.

- Illinois Urbana-Champaign: 1,760
- Ohio State: 1,528
- Wisconsin: 1,097
- Iowa: 1,616

Source: The New York Times, as of Sept. 10.



# Penn State COVID-19 Dashboard – as of 9/17/20 (UP)

Student

Employee

656  
Cases No Longer  
Active

1,371  
Total Positive  
Cases

41  
Persons Currently  
in Quarantine

144  
Persons Currently  
in Isolation

## On-Demand Testing

7,304  
Total Tests  
Performed

1,182  
Total Positive  
Cases

424  
Total Awaiting  
Results

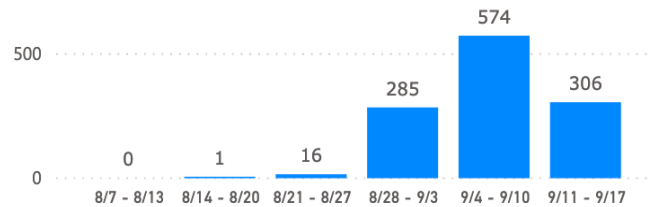
## Random Testing

13,990  
Total Tests  
Performed

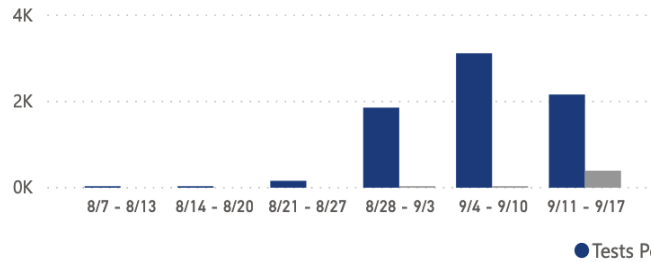
189  
Total Positive  
Cases

471  
Total Awaiting  
Results

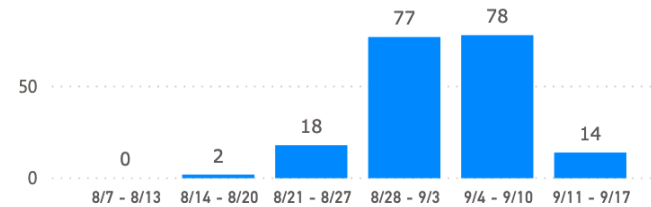
### Positive Cases by Week



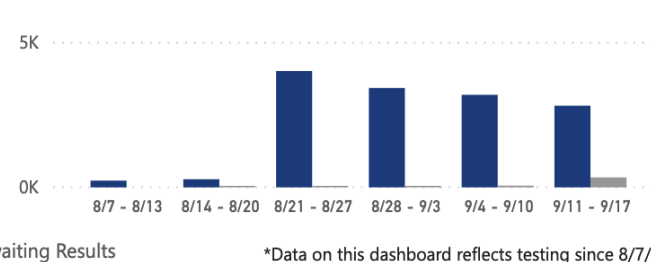
### Tests Performed and Awaiting Results by Week



### Positive Cases by Week



### Tests Performed and Awaiting Results by Week



\*Data on this dashboard reflects testing since 8/7/2020

Total Student Tests: 21,294

Total Student Positives: 1,371 (since 8/7)

Faculty/Staff Cases: 1

Closed Cases: 656 (includes cases where individual is 10 days past quarantine or Isolation period)

During the past week (9/11-9/17):

Students (Asymptomatic):

- 2,822 tests performed
- 14 new confirmed cases
- 2,466 negative cases
- 342 awaiting results

Students (Symptomatic):

- 2,162 tests performed
- 306 new confirmed cases
- 1,461 negative cases
- 395 awaiting results



PennState

(Appendix III)

# Guiding Principles for Off/On Ramps Planning

- Provide services in a manner that protects the health, safety, and well-being of staff while meeting the needs of the University.
- Department and/or unit plans will be flexible ensuring the ability to ramp up and down as circumstances dictate.
- Follow University and Commonwealth guidance for COVID-19.
- Maintain the department and/or unit in a state of readiness (i.e. staffing, equipment, and supplies to execute roles and responsibilities are available).



# Off Ramp Factors

## *Case numbers are not the key*

- Quarantine and isolation capacity.
  - Isolation capacity is 250 rooms; quarantine capacity is 150 rooms; and we have any additional 140 rooms available if needed.
  - As of 9/17, at 58% capacity for isolation (144 people) and 27% for quarantine (41 people).
  - As of 9/17, 656 closed cases – includes individuals who have moved out of isolation/quarantine space and cases where individual is 10 days past isolation or quarantine period.
- Hospital Capacity
- Community Spread



# Examples of Possible Off Ramps

- Reduce exposure by suspending use of specific buildings and spaces.
- Quarantine a program or cohort.
- Suspend or curtail some in-person programs.
- Quarantine residents of a specific hall.
- Pause in-person classes for a two-week period.
- Pause programs at a specific campus
- All programs and classes move online for an affected campus.



# Summary

- Favorable enrollment data, tuition payments and financial disbursements.
- Research enterprise has topped \$1.0 billion during one of the most challenging years in Penn State history.
- Development had a record year in FY19-20 and has a strong start to FY20-21.
- Comprehensive scenario planning is underway to quickly respond to potential changes in the COVID-19 off ramp factors.

