

THE PENNSYLVANIA STATE UNIVERSITY
BOARD OF TRUSTEES

MINUTES OF MEETING
VOLUME 328

April 13, 2021

A special meeting of the Board of Trustees was held via video conference on April 13, 2021 beginning at 5:00 p.m.

The following Trustees, constituting a quorum, were present: Barron, Black, Brown, Casey, Culler, Delligatti, Dietrich, Doran, Fenza, Han, Harpster, Hartzler, Hoffman, Kleppinger, Potts, Rakowich, Redding, Schneider, Schuyler, Shipley, Short, Stanell, and Wagman.

Also present were staff members Doncsecz, Eck, Fabrizi, Harvey, Jones, Kissinger, Ortiz, Papazoglou, Penkala, Sitzabee, Snyder, Straw, and Thorndike.

The meeting was called to order by Chairman Schuyler with a quorum confirmed by Shannon Harvey, Associate Secretary of the Board, noting that there was one Action Item for consideration before the Board.

The full Board was adjourned to call a meeting of the Committee on Finance, Business and Capital Planning into session to approve the Proposed Changes in Room and Board Charges for 2021-22 Academic Year.

Finance, Business and Capital Planning Committee Chair, Mary Lee Schneider called the meeting of the committee to order and noted that a quorum was present. John Papazoglou, Associate Vice President of Auxiliary & Business Services, provided supporting remarks and context. The committee then approved the resolution before them. With no further business the committee meeting was adjourned.

Chair Schuyler then called the full Board back into session. A motion to approve the following resolution was seconded and approved by the Board.

Action Item

a) Proposed Changes in Room and Board Charges for 2021-22 Academic Year

It will be necessary to increase room and board charges effective with the 2021 Fall Semester due to increasing operating and facility maintenance costs.

Appendix I provides details on the Housing and Food Service Budget Presentation for 2021-22, as well as the proposed rates at University Manor, Penn State Health Milton S. Hershey Medical Center.

Will the Board of Trustees adopt the following resolution:

RESOLVED, That room and board charges at all locations be increased as shown on Schedules I through V attached hereto and which are part of this resolution.

(See Appendix I)

The meeting was adjourned at 5:17 p.m. An audio stream of the meeting is available in its entirety at https://youtu.be/q_bdbo_TDMI.

Respectfully submitted,

Frank T. Guadagnino
Secretary, Board of Trustees

2021/2022

Room and Board Rate Proposal Housing and Food Services

- Budget Planning Factors
- Proposed Room and Board Rates
- History of Double Room and Meal Plan Rates



Budget Planning for 2021/22

Housing and Food Services is a self-supporting auxiliary enterprise. Neither state funds nor tuition are used for construction, maintenance, or operations of the housing and dining program. Housing and food revenues must cover all operating expenses, debt, interest, major maintenance, and facility renewal.

Housing and Food Services (HFS) is committed to providing quality living experiences for students in well maintained facilities while minimizing increases to students.

COVID has presented unprecedented losses to Housing and Food Services. From March 2020 through spring semester 2021, \$156M, net of CARES receipts of \$27.5M, has been lost. Both fall and spring semesters were shortened, and occupancy was 35% to 40% lower than normal. The residential capital renewal plan has slowed, and expenses have been reduced where possible. The 2021/22 budget includes anticipated occupancy constraints of 15% less than normal. HFS is requesting a 3.45% increase for the standard double room with mid-level meal plan. Proposed rates by room and apartment are included at the end.

EXPENSES

Payroll and Related includes an increase of 2% for salaries and 6.7% for fringe benefits.

Food Costs includes an increase of 2%. Cost containment initiatives continue and include reducing inventory turnover and food waste.

Operating Expenses includes an overall decrease of 13.5% to the current year budget with lower occupancy projections due to COVID.

Residence Life includes an increase of \$12 to \$380 per student per semester to cover increases in operating costs, anticipated salary increases, and room and board changes for resident assistants at all campuses.

University Administrative Fee remains at 5% of gross revenues to pay for central administrative services.

Deferred Maintenance & Capital **includes \$21.0M for annual maintenance** for items such as roof replacement, plumbing repair, elevator maintenance, furniture, painting, equipment, technology, and security. The Capital Investment remains at 2%.

Debt Service

Sproul and Geary residence halls will be available for occupancy for Fall 2021. Scheduled debt service will increase by \$4.1M to \$55.4M.

**Proposed Budget Increase
HFS Annual Room and Board Rate Planning**

	2020/21 Approved Budget	2021/22 Proposed Budget	2021/22 \$ Change	2021/22 % Change
Revenue	\$305,056,000	\$266,240,000	(38,816,000)	-12.7%
Food	51,050,000	42,937,000	(8,113,000)	-15.9%
Payroll and Related	88,800,000	81,482,000	(7,318,000)	-8.2%
Utilities	18,645,000	16,260,000	(2,385,000)	-12.8%
Maintenance, Supplies, Services	38,084,000	28,061,000	(10,023,000)	-26.3%
Residence Life Programming	13,997,000	13,018,000	(979,000)	-7.0%
Subtotal	\$210,576,000	\$181,758,000	(28,818,000)	-13.7%
Operating Margin	\$ 94,480,000	\$84,482,000	(9,998,000)	-10.6%
University Administrative Fee	12,850,000	8,000,000	(4,850,000)	-37.7%
Deferred Maintenance & Capital	30,340,000	21,049,000	(9,291,000)	-30.6%
Debt Service	51,290,000	55,433,000	4,143,000	8.10%
Subtotal	\$94,480,000	\$ 84,482,000	(9,998,000)	-10.6%
Net Margin	\$0	\$0	\$0	

4/13/2021

FB&CP

Proposed Residence Hall Room Rates and Undergraduate Apartment Rates*Rate/Person/Semester*

Room Description	Number of Occupants	2020/21 Approved Rate for full semester	2021/22 Proposed Operating Increase	2021/22 Proposed Capital Investment	2021/22 Proposed Rate	2021/22 Proposed Increase
Standard Double	2	\$3,427	\$68	\$68	\$3,563	\$136
Standard Double/Bath	2	3,614	72	72	3,758	144
Renovated Double	2	3,828	116	76	4,020	192
Small Double	2	2,568	51	51	2,670	102
Triple	3	3,086	61	62	3,209	123
Triple/Bath	3	3,427	68	68	3,563	136
Quad	4	3,086	61	62	3,209	123
Quad/Bath	4	3,427	67	69	3,563	136
Quad as Triple	3	3,427	67	69	3,563	136
Standard Single	1	4,665	117	93	4,875	210
Standard Single/Bath	1	4,760	120	95	4,975	215
Renovated Single	1	4,805	144	96	5,045	240
Eastview Single/Bath	1	5,795	114	116	6,025	230
Eastview Large Single/Bath	1	6,220	126	124	6,470	250
RA Rate	1	2,155	47	43	2,245	90
Standard Double Suite	2	4,055	79	81	4,215	160
Standard Double Suite as Triple	3	3,427	68	68	3,563	136
Standard Single Suite, 1/bedroom	4	4,730	116	94	4,940	210
Double Suite	2	4,350	88	87	4,525	175
Single Suite	1	5,665	112	113	5,890	225
University Park, Nittany Apartment						
<i>Rate/Person/Semester*</i>						
2 Bedroom Garden	4	4,160	82	83	4,325	165
4 Bedroom Garden	4	4,665	92	93	4,850	185
4 Bedroom Townhouse	4	4,845	98	97	5,040	195
Erie, Behrend Apartment						
<i>Rate/Person/Semester*</i>						
2 Bedroom Garden	4	4,160	82	83	4,325	165
Harrisburg & Abington Apartment						
<i>Rate/Person/Semester*</i>						
Apartments-Bedroom Single	4	5,050	149	101	5,300	250
Apartments-Bedroom Double	6	4,440	131	89	4,660	220
Apartments-Bedroom Triple	9	4,000	120	80	4,200	200
Beaver, Greater Allegheny, Hazleton, & Mont Alto						
Standard Double	2	3,150	0	60	3,210	60
Standard Double Suite	2	3,725	0	75	3,800	75
Townhouse Double	2	3,320	0	65	3,385	65

Supplemental assignments will be priced at a 20 percent discount from the applicable suite or room rate. Requests for single occupancy of rooms intended for double occupancy will be priced at 25 percent more than the double occupancy rate for that room type.

Approved University Park Graduate Apartment Rates

2021/22 Rates approved by the Board of Trustees in September 2020 - no change

Room Description	2020/21 Rate	2021/22 Rate
University Park, Graduate Family Apartment		
<i>Rate/Month*</i>		
White Course 1 Bedroom	\$1,168	\$1,168
White Course 2 Bedroom	1,321	1,321
White Course 3 Bedroom	1,459	1,459
White Course 3 Bedroom w/2 Bath	1,474	1,474
University Park, Graduate Apartment		
<i>Rate/Person/Month*</i>		
White Course 4 Bedroom	\$938	\$938

Apartment rate includes utilities*Proposed Board Plan
Rates/Semester**

Meal Plan	2020/21 Current Rate	2021/22 Proposed Rate	2021/22 Proposed Increase	2021/22 Dining Dollars
Plan 1	\$2,100	\$2,158	\$58	\$ 665
Plan 2	2,449	2,516	67	1,015
Plan 3	2,732	2,809	77	1,300

History of Double Room and Mid-Level Meal Plan Rates 2012 through 2022

Year	Semester Rate	Semester Increase	Percent Increase
2021/22	\$6,079	\$203	3.45%
2020/21	5,876	200	3.52%
2019/20	5,676	146	2.64%
2018/19	5,530	135	2.50%
2017/18	5,395	165	3.15%
2016/17	5,230	155	3.05%
2015/16	5,075	190	3.89%
2014/15	4,885	200	4.27%
2013/14	4,685	190	4.23%
2012/13	4,495	125	2.86%
2011/12	4,370	185	4.42%