

**THE PENNSYLVANIA STATE UNIVERSITY
BOARD OF TRUSTEES**

**MINUTES OF MEETING
VOLUME 330**

July 15, 2021

A meeting of the Board of Trustees was held in Dean's Hall of The Penn Stater Hotel and Conference Center, State College, PA, in person and via video conference, at 2:00 p.m. on Thursday, July 15, 2021.

The following Trustees were present: Schuyler (chairman), Kleppinger (vice chairman), Barron, Black, Brown, Cairns, Casey, Dambly, Dandrea, Davis, de Levie, Detwiler, Dietrich, Doran, Dunn, Fenza, Harpster, Hartzler, Hoffman, Houston, Lubrano, Oldsey, Ortega, Paterno, Pope, Potts, Rakowich, Redding, Rowland, Schneider, Short, and Wagman. The Governor's non-voting representative, Mr. Shipley, was in attendance.

Present by invitation were Emeriti Trustees Huber and Jubelirer; Faculty Senate representatives Egolf, M. Jones, Phillips, Sczcygiel, and Seymour; constituent representatives Lynch and Romig; student representatives Akbar, Boas, Franklin, Hill, and Rodriguez; and staff members Barbour, Bieschke, Bundy, Clifford, Doncsecz, Goffe, Guadagnino, Hanes, Harvey, Holleran, Huston, Jones, Kissinger, Lokman, Sims, Sitzabee, Ortiz, Thorndike, Weiss, Welch, Whitehurst, and Wilson.

Chair Schuyler opened the meeting with a moment of remembrance for former executive vice president and provost Dr. John Brighton, who passed away on June 28th in Columbus, OH.

Chair Schuyler acknowledged the meeting as being the first fully in-person meeting since the onset of the pandemic in 2020. He thanked the trustees, President Barron, faculty, and staff for continuing efforts to keep the University moving forward during unprecedented times.

Chair Schuyler welcomed the new trustees; alumni trustees Steve Wagman and Alvin de Levie; agricultural trustee Donald Cairns; academic trustee Nicholas Rowland; student trustee Janiyah Davis; and immediate past president of the Penn State Alumni Association Randy Houston.

Chair Schuyler provided a brief update on the national search for Penn State's 19th President, on the workings of the Presidential Recruitment and Selection Committee, co-chaired by Trustees Mark Dambly and Julie Anna Potts, and executive search firm Spencer Stuart. He thanked the 47-member Next Gen Advisory Group, chaired by Trustee David Kleppinger, for its work to produce the NextGen Report during the listening phase of the process.

Chair Schuyler recognized senior vice president for Commonwealth Campuses and executive chancellor Madlyn Hanes for her commitment and service to the Board, the Commonwealth Campuses, and to the University. Hanes will retire from Penn State on August 1, 2021. He noted milestones in her career at Penn State and presented her with a token of appreciation for her service to the Board and to the University. Hanes was invited to the podium and offered remarks. Chair Schuyler stated Kelly Austin has been named interim senior vice president for Commonwealth Campuses and executive chancellor effective August 1, 2021.

Chair Schuyler announced Patrick Mather, the Richard E. Garman Dean of Engineering and professor of chemical engineering at Bucknell University, has been named the dean of Penn State's Schreyer Honors College, effective August 16, 2021, who will succeed Peggy Johnson, who will retire from Penn State on August 15 and has been a Penn State faculty member for the past 25 years.

Chair Schuyler welcomed new Faculty Senate officers and newly elected student leaders who serve on six of the seven standing committees. Serving on the Academic Affairs, Research, and Student Life Committee are chair-elect of the University Faculty Senate Maureen Connolly Jones, UPUA vice president Najee Rodriguez, and WCSGA president Mona Hill. Serving on the Audit and Risk Committee is CCSG vice president Hibah Akbar. Serving on the Finance, Business and Capital Planning Committee are chair of the University Faculty Senate Committee on Educational Equity and Campus Environment Roger Egolf and UPUA president Erin Boas. Serving on the Governance and Long-Range Planning Committee is chair of

the University Faculty Senate Bonj Szczygiel and GPSA president Schönn Franklin. Serving on the Legal and Compliance Committee is secretary of the University Faculty Senate Lisa Mangel. Serving on the Committee on Equity and Human Resources is immediate past-chair of the University Faculty Senate Beth Seymour. Serving on the Outreach, Development and Community Relations Committee are chair of the Senate Committee on Admission, Records, Scheduling and Student Advising Kat Phillips and CCSG president Aakash Viramgama. Staff Advisory Council leaders working with the Board this year are Council chair Benjy Romig, serving on the Committee on Outreach, Development and Community Relations and immediate past chair Nicole Sturges, serving on the Committee on Academic Affairs, Research and Student Life. Penn State Alumni Association president Kelley Lynch will serve on the Committee on Outreach, Development and Community Relations.

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

Shannon Harvey, Associate Secretary of the Board, reported all Trustees were present except for Trustees Amorós, Delligatti, Pegula, Rapp, and Wolf, constituting a quorum.

Action Items

Chair Schuyler noted that there were eight Action Items for consideration before the Board.

- A. Approval of *Minutes* from May 7, 2021 Meeting. A motion to approve Action Item A was seconded and approved by the Board.
- B. Proposed Facilities and Academic Unit Naming Recommendations.

President Barron recommended that the Board of Trustees approve a resolution that the library building at Penn State Harrisburg be named the Madlyn Levine Hanes Library. The motion to approve the following resolutions was seconded and approved by the Board.

WHEREAS, Dr. Madlyn Hanes, Senior Vice President for Commonwealth Campuses and Executive Chancellor, has announced her retirement as of August 1, 2021;

WHEREAS, Dr. Hanes, has served Penn State for 33 years, including 10 years as Chancellor of Penn State Harrisburg, and since 2010 has been the academic and administrative leader of Penn State's 20 Commonwealth Campuses, which enroll approximately 27,000 students;

WHEREAS, Dr. Hanes, has been an inspiring and transformative leader, a tireless advocate for working families, and an engaging collaborator at Penn State and in communities surrounding our Commonwealth Campuses;

WHEREAS, The Board of Trustees is grateful for her long standing dedication to Penn State students, faculty, staff, and alumni and wish to recognize and honor Dr. Hanes for her exemplary service to the University;

THEREFORE BE IT RESOLVED, That the library building at Penn State Harrisburg be named the "Madlyn Levine Hanes Library", effective immediately.

President Barron recommended that the Board of Trustees approve a resolution that the College of Nursing be named The Ross and Carol Nese College of Nursing. The motion to approve the following resolutions was seconded and approved by the Board.

WHEREAS, The President has recommended to the Board of Trustees that in recognition of a transformative \$27.125 million gift from Ross and Carol Nese, under conditions agreed-upon between the donor and the University, the College of Nursing be renamed The Ross and Carol Nese College of Nursing;

THEREFORE BE IT RESOLVED, That the College of Nursing be named The Ross and Carol Nese College of Nursing, effective immediately.

C. Proposed Revocation of University Awards or Distinctions

The Committee on Finance, Business and Capital Planning recommended that the Board of Trustees approve resolution C. A motion to approve the following resolution was seconded and approved by the Board in a roll call vote (22-9). Trustees Brown, Cairns, de Levie, Lubrano, Oldsey, Paterno, Pope, Rowland, and Short voted against the motion.

NOW BE IT RESOLVED THAT, The President of the University, after consultation with the Chair and Vice Chair of the Board of Trustees and the *ad hoc* DAA Selection Group of the Board of Trustees, shall have the authority to revoke any previously granted University award or distinction in the event that the individual to whom such award or distinction has been conferred is later convicted of a felony or engages in conduct which is significantly detrimental to the reputation of such individual such that continued name association between such individual and the University would be contrary to the best interests of the University. If the recipient of any such award or distinction is a corporation, the authority to revoke the award or distinction shall also be exercisable by the President, after consultation with the Chair and Vice Chair of the Board of Trustees and the *ad hoc* DAA Selection Group of the Board of Trustees, in the event that any of the officers or directors of such corporation are later convicted of a felony or incur civil sanctions in their capacity as officers or directors of such corporation, which crimes or sanctions are significantly detrimental to the reputation of the corporation such that continued name association between such corporation and the University would be contrary to the best interests of the University. Notice of any such revocation shall be provided to the Board of Trustees.

D. Proposed Operating Budget for Fiscal Year Beginning July 1, 2021 with Corresponding Tuition and Fees Effective for 2021 Fall Semester

The Committee on Finance, Business and Capital Planning recommended that the Board of Trustees approve resolution D and President Barron provided supporting remarks and context for this item. A motion to approve the following resolution was seconded and approved by the Board in a roll call vote (26-5). Trustees Brown, de Levie, Doran, Paterno, and Pope voted against the motion.

RESOLVED, That the proposed Operating Budget for the University for the fiscal year beginning July 1, 2021, as shown in the 2021-2022 Proposed Operating Budget with corresponding Tuition and Fees Schedules, is approved.

[Appendix I]

E. Proposed Final Plan Approval and Authorization to Expend Funds, Erie Hall Replacement, Penn State Behrend

The Committee on Governance and Long-Range Planning recommended that the Board of Trustees approve resolution E and Sara Thorndike, Senior Vice President of Finance and Business/Treasurer provided supporting remarks and context for this item. A motion to approve the following resolutions was seconded and approved by the Board.

RESOLVED, That the final plans for the Erie Hall Replacement, as designed by Sasaki Associates of Watertown, 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 \$28,210,000.

- F. Proposed Final Plan Approval and Authorization to Expend Funds, Physical Fitness, Athletics, and Wellness Center (PAW Center) Renovation and Addition, Penn State DuBois

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

RESOLVED, That the final plans for the Physical Fitness, Athletics, and Wellness Center (PAW Center) at Penn State DuBois, as designed by Kimmel Bogrette Architecture + Site of Blue Bell, Pennsylvania, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds and award contracts to accomplish the project is approved in the amount of \$17,300,000.

- G. Proposed Final Plan Approval and Authorization to Expend Funds, Third Floor, South Addition Renovation, Penn State Health Milton S. Hershey Medical Center

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

RESOLVED, That the final plans for the Third Floor, South Addition Renovation at Penn State Health Milton S. Hershey Medical Center, as designed by FLAD Architects of Madison, Wisconsin, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds and award contracts to accomplish the project is approved in the amount of \$42,300,000.

- H. Proposed Approval of Penn State Health's Request for *Bylaw* Change to Increase Penn State Health Debt to Capitalization Ratio

The Committee on Finance, Business and Capital Planning recommended that the Board of Trustees approve resolution H and Sara Thorndike 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 amendment to Article 2, Section 2.2(d), of the Amended and Restated *Bylaws* of Penn State Health (effective May 8, 2020) are approved.

[Appendix II]

Chair Schuyler introduced Dr. Barron for the President's Report and Discussion.

President's Report and Discussion

Dr. Barron delivered a report titled *Return to Campus*.

For companion slides, reference [Appendix III]

The meeting is available in its entirety at <https://youtu.be/-zhU4LdlaAY>.

Closing Remarks/Announcements

There being no other business, the public meeting was adjourned at 3:32 p.m.

Respectfully submitted,

Frank T. Guadagnino
Secretary, Board of Trustees

THE PENNSYLVANIA STATE UNIVERSITY

**BOARD OF TRUSTEES
JULY 15, 2021**

**PROPOSED 2021-22 OPERATING BUDGET
WITH CORRESPONDING
TUITION AND FEES SCHEDULES**

AGENDA ITEM 3.D

**THE PENNSYLVANIA STATE UNIVERSITY
2021-22 OPERATING BUDGET**

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TAB A

2021-22 OPERATING BUDGET

THE PENNSYLVANIA STATE UNIVERSITY
2021-22 OPERATING BUDGET

The Board of Trustees will be asked to consider and approve Penn State’s operating budget on July 15, 2021.

SUMMARY OF THE BUDGET PLAN

In building the proposed 2021-22 Operating Budget, Penn State has placed the highest priority on keeping tuition affordable while continuing to provide a high-quality educational experience to students. The budget plan approved by the Board of Trustees as part of Penn State’s 2021-22 Appropriation Request reflected the university’s goal to maintain affordability and would have included a modest increase in the Pennsylvania Resident Undergraduate tuition rates to fund the 2019-2023 capital plan. The requested General Support appropriation increase was 3.0%, or \$7.3 million.

When Governor Wolf presented his 2021-22 Executive Budget in February 2021, his recommendation was that Penn State’s General Support appropriation be held flat with the 2020-21 level. Penn State’s 2021-22 state appropriation, including level funding, was passed by the General Assembly and signed by the Governor in June.

As the Commonwealth reviewed the state budget, Penn State’s planning efforts focused on modeling scenarios assessing the continued impact of the COVID-19 pandemic on the university’s budget. In addition to mandates and unavoidable cost increases that typically must be absorbed, it was expected that the pandemic would continue to affect both tuition revenues due to lower enrollments as well as educational and general costs. Various scenarios looked at a range of enrollment projections based on whether instruction would return to in-person delivery (in the best case) or in hybrid mode (in the worst case) for the Fall 2021 semester.

The proposed budget includes modest tuition rate increases for all undergraduate and graduate students, both in-state and out-of-state (including international students).

2021-22 TOTAL OPERATING BUDGET

The University is proposing expense changes totaling \$159.3 million in general funds, restricted funds, and auxiliary enterprises, plus \$475.9 million at Penn State Health, bringing the total 2021-22 operating expense budget to \$7.7 billion. Total budgeted revenues are \$7.7 billion with the deficit being funded from reserve balances. A summary of the budget is shown in Table 1.

TABLE 1
TOTAL UNIVERSITY BUDGET
SUMMARY OF 2021-22 CHANGES
(dollars in thousands)

	<u>2020-21 Initial Budget</u>	<u>2020-21 Projected Year End</u>	<u>Changes</u>	<u>2021-22 Budget</u>
General Funds:				
Revenue	\$ 2,717,688	\$ 2,797,379	\$ 57,408	\$ 2,775,096
Expenditures	<u>2,906,591</u>	<u>2,831,334</u>	<u>34,889</u>	<u>2,941,480</u>
Surplus/(Deficit)	(188,903)	(33,955)	22,519	(166,384)
Federal Funds - Agriculture				
Revenue	35,124	22,888	(12,248)	22,876
Expenditures	<u>35,124</u>	<u>22,888</u>	<u>(12,248)</u>	<u>22,876</u>
Surplus/(Deficit)	0	0	0	0
Restricted Funds:				
Revenue	794,963	938,871	123,561	918,524
Expenditures	<u>794,963</u>	<u>920,871</u>	<u>116,361</u>	<u>911,324</u>
Surplus/(Deficit)	0	18,000	7,200	7,200
Auxiliary Enterprises:				
Revenue	466,287	287,922	38,331	504,618
Expenditures	<u>462,074</u>	<u>352,341</u>	<u>20,290</u>	<u>482,364</u>
Surplus/(Deficit)	4,213	(64,419)	18,041	22,254
TOTAL REVENUE	4,014,062	4,047,060	207,052	4,221,114
TOTAL EXPENDITURES	<u>4,198,752</u>	<u>4,127,434</u>	<u>159,292</u>	<u>4,358,044</u>
SURPLUS/(DEFICIT)	(184,690)	(80,374)	47,760	(136,930)
Penn State Health System				
Revenue	2,951,000	3,342,061	483,918	3,434,918
Expenditures	<u>2,892,000</u>	<u>3,231,702</u>	<u>475,935</u>	<u>3,367,935</u>
Surplus/(Deficit)	59,000	110,359	7,983	66,983
TOTAL UNIVERSITY				
TOTAL REVENUE	6,965,062	7,389,121	690,970	7,656,032
TOTAL EXPENDITURES	<u>7,090,752</u>	<u>7,359,136</u>	<u>635,227</u>	<u>7,725,979</u>
SURPLUS/(DEFICIT)	\$ (125,690)	\$ 29,985	\$ 55,743	\$ (69,947)

THE GENERAL FUNDS BUDGET

The components of the General Funds budget include: the Educational and General budget (including the College of Medicine at the Milton S. Hershey Medical Center), which supports most of the University's basic teaching, research, and public service programs; and the budgets for Agricultural Research and Cooperative Extension and the Pennsylvania College of Technology.

Proposed revenue increases of \$57.4 million will result in an revenue budget of \$2.8 billion, and expense increases of \$34.9 million will yield an expense budget of \$2.9 billion with the deficit to be covered from fund balances. A summary of General Funds revenues is shown in Table 2 and of expenditures in Table 3.

The sections that follow focus on the changes in the General Funds budget.

TABLE 2
2021-22 TOTAL OPERATING BUDGET
SUMMARY OF GENERAL FUNDS REVENUE
(dollars in thousands)

	<u>Initial Budget 2020-21</u>	<u>2020-21 Projected Year End</u>	<u>Changes</u>	<u>2021-22 Budget</u>
GENERAL FUNDS:				
EDUCATIONAL & GENERAL:				
State Appropriation:				
Educational & General	\$ 242,096	\$ 242,096	\$ 0	\$ 242,096
Transfers	(5,032)	(5,032)	1,516	(3,516)
Sub-Total - State Appropriation	237,064	237,064	1,516	238,580
Tuition and Fees	1,872,072	1,939,252	116,647	1,988,719
Facilities & Administration	112,963	106,556	847	113,810
Investment Income	22,445	22,594	0	22,445
Academic Support from PSH	73,700	71,700	(20,500)	53,200
Other Income	228,371	250,833	(39,984)	188,387
Total Educational & General	<u>2,546,615</u>	<u>2,627,999</u>	<u>58,526</u>	<u>2,605,141</u>
AGRICULTURAL RESEARCH & COOPERATIVE EXTENSION:				
State Appropriation & E&G Transfers	57,541	57,541	(516)	57,025
Sales and Services Income	1,500	1,385	15	1,515
Total Agricultural Research & Cooperative Extension	<u>59,041</u>	<u>58,926</u>	<u>(501)</u>	<u>58,540</u>
Sub-Total University	<u>2,605,656</u>	<u>2,686,925</u>	<u>58,025</u>	<u>2,663,681</u>
PA COLLEGE OF TECHNOLOGY:				
State Appropriation:				
PA College of Technology & Transfers	27,132	27,132	0	27,132
Sub-Total - State Appropriation	27,132	27,132	0	27,132
Tuition and Fees	81,828	77,988	(8,257)	73,571
Other Income	3,072	5,334	7,640	10,712
Total PA College of Technology	<u>112,032</u>	<u>110,454</u>	<u>(617)</u>	<u>111,415</u>
TOTAL GENERAL FUNDS	<u>\$ 2,717,688</u>	<u>\$ 2,797,379</u>	<u>\$ 57,408</u>	<u>\$ 2,775,096</u>

TABLE 3
2021-22 TOTAL OPERATING BUDGET
SUMMARY OF GENERAL FUNDS EXPENDITURES
(dollars in thousands)

	<u>Initial Budget 2020-21</u>	<u>2020-21 Projected Year End</u>	<u>Changes</u>	<u>2021-22 Budget</u>
GENERAL FUNDS:				
EDUCATIONAL & GENERAL:				
Permanent:				
Instruction	\$ 831,778	\$ 804,985	\$ 10,405	\$ 842,183
Research	158,765	155,749	2,151	160,916
Other Public Service	40,099	38,146	663	40,762
Academic Support	433,762	424,860	3,131	436,893
Institutional Support	564,529	543,296	(16,098)	548,431
Student Services	200,294	178,992	(7,842)	192,452
Student Aid	169,584	163,983	3,601	173,185
Physical Plant Operations	355,978	351,943	3,067	359,045
Compensation & Employee Benefits Adj:				
Merit and Other Inflationary Salary Increases	1,689	0	741	2,430
Merit and Other Inflationary Related Benefits	270	0	119	389
Benefits Cost Increases	(21,230)	0	36,069	14,839
Total Educational & General	<u>2,735,518</u>	<u>2,661,954</u>	<u>36,007</u>	<u>2,771,525</u>
AGRICULTURAL RESEARCH & COOPERATIVE EXTENSION:				
Compensation & Employee Benefits Adj.:				
Merit-based Inflationary Salary Increases	0	0	0	0
Merit-based Inflationary Related Benefits	0	0	0	0
Market & Equity Salary Increases	0	0	612	612
Market & Equity Related Benefits	0	0	98	98
Benefits Cost Increases	1,086	0	(367)	719
Program Changes	57,955	58,926	(844)	57,111
Total Agricultural Research & Cooperative Extension	<u>59,041</u>	<u>58,926</u>	<u>(501)</u>	<u>58,540</u>
Sub-Total	2,794,559	2,720,880	35,506	2,830,065
PA COLLEGE OF TECHNOLOGY	<u>112,032</u>	<u>110,454</u>	<u>(617)</u>	<u>111,415</u>
TOTAL GENERAL FUNDS	<u>\$ 2,906,591</u>	<u>\$ 2,831,334</u>	<u>\$ 34,889</u>	<u>\$ 2,941,480</u>

STATE APPROPRIATIONS

Penn State's 2021-22 approved appropriations total \$338.9 million, reflecting level funding across all line items. A summary of the appropriation is shown in Table 4 below.

TABLE 4
SUMMARY OF STATE APPROPRIATION
(dollars in thousands)

	<u>2020-21 Appropriation</u>	<u>Changes</u>	<u>2021-22 Total</u>
<u>Direct State Appropriation:</u>			
General Support	\$242,096	0	\$242,096
Pennsylvania College of Technology	<u>26,736</u>	<u>0</u>	<u>26,736</u>
Sub-Total	268,832	0	268,832
<u>Agricultural College Land Scrip Fund:</u>			
Agricultural Research and Cooperative Extension	54,960	0	54,960
<u>PA Department of Human Services:</u>			
Penn State Health *	<u>15,112</u>	<u>0</u>	<u>15,112</u>
Total	<u><u>\$338,904</u></u>	<u><u>\$0</u></u>	<u><u>\$338,904</u></u>

* Reflects direct state appropriation to Penn State for Medical Assistance, CURE, Penn Cancer Institute, ASERT and other line items. Any federal match funding is not included.

CENTRALLY MANAGED EDUCATIONAL AND GENERAL REVENUE CHANGES

Penn State's Education and General budget includes a combination of centrally managed and unit-controlled revenues and expenditures. The centrally managed portion of revenues includes the state appropriation, undergraduate and graduate residential tuition, facilities and administration cost recovery and investment income, and a portion of other income. Unit-controlled revenues include all sources managed by the College of Medicine (tuition, fee, F&A, academic support, and other revenues) as well as miscellaneous revenues generated by individual college, campus, or administrative units for various programmatic activities.

Revenue increases of \$42.9 million are included in the 2021-22 Educational and General (E&G) centrally managed budget. These changes are described below and summarized in Table 5.

STATE APPROPRIATION

The proposed budget includes level funding for the Educational and General portion of the budget with state appropriation support of \$242.1 million.

TUITION

Tuition rate schedules for resident and non-resident students by student level and by campus are shown in Schedule 1 in Tab D of this document. Tuition increases for 2021-22 have been held to the lowest level possible. These rates will be charged regardless of delivery method, remote or in person.

STUDENT INITIATED FEE

An additional \$22,000 will result from increases to the Student Initiated Fee as determined by student leadership groups. The fee will increase \$1 at most Commonwealth Campuses. The University Park Student Initiated Fee will be held level with 2020-21.

FACILITIES AND ADMINISTRATION COST RECOVERY

As sponsored research activities begin to recover from pandemic levels, no increase in income from facilities and administration cost recovery from grants and contracts is projected in 2021-22.

OTHER NON-TUITION INCOME

An additional \$1.0 million will be budgeted as the University continues to implement a long-term plan to gradually eliminate the historical transfer of the General Support appropriation to the College of Medicine.

TABLE 5
EDUCATIONAL AND GENERAL OPERATING BUDGET
2021-22 CENTRALLY-MANAGED REVENUE CHANGES
(dollars in thousands)

	Total
State Appropriation	\$ 0
Tuition	41,906
Student Initiated Fee	22
Facilities and Administration Cost Recovery	0
Investment Income	0
Other Income	1,000
TOTAL INCOME CHANGES	\$ 42,928

CENTRALLY MANAGED EDUCATIONAL AND GENERAL EXPENDITURES

Penn State's Education and General budget includes a combination of centrally managed and unit-controlled revenues and expenditures. The centrally managed portion of expenditures includes base salary allocations across Penn State, the university's benefits program and property and liability insurances, facilities and maintenance costs (including debt related to the capital program), investments in strategic priorities, activities funded by the student-initiated fee, student aid and grant-in-aid, and any budget reductions or cost-savings initiatives implemented to offset increases in the budget. Unit-controlled expenditures include all those managed by the College of Medicine as well as expenditures managed by individual college, campus, or administrative units for various instruction, research, or service activities (including those funded by prior-year balances).

Expense changes for the 2021-22 Educational and General (E&G) centrally managed portion of the University's general funds operating budget including cost savings yield an increase of \$42.9 million. The changes are described below and summarized in Table 6.

SALARIES

The 2021-22 centrally managed budget proposal includes modest merit-based and contractual salary increases totaling \$24.7 million and \$2.8 million for faculty promotions and related benefits.

The competitiveness of Penn State's salaries is a very important component of the University's ability to attract and retain the best faculty and staff. Information regarding Penn State's faculty salary rankings can be found in Tab B of this document.

BENEFITS

For 2021-22, the cost of the University's benefits program is projected to increase, beyond the amounts already budgeted, by \$13.7 million. \$13.3 of this amount will fund mandatory costs for the increase in the employer share of health care for employees, graduate assistants, and fellows. An additional \$400,000 of funding is planned for retirement contributions.

PROPERTY AND LIABILITY INSURANCES

A \$4.8 million increase is needed for property and liability insurances in 2021-22.

FACILITIES AND MAINTENANCE

A total of \$13.1 million will be budgeted to address facility and maintenance needs. This includes \$2.7 million to be added for the maintenance and operation of new or newly remodeled facilities scheduled to come online in 2021-22.

The University projects an increase of \$1.3 million in fuel and utility costs for 2021-22.

The 2021-22 proposed budget includes \$9.1 million in debt service related to the 2019-2023 Capital Plan approved in September 2017. This plan assumed that \$750.0 million of the \$2.1 billion E&G portion of the plan would be funded with debt. Additional funding will be provided from University reserves.

STRATEGIC PRIORITIES

The proposed 2021-22 budget includes \$12.0 million for meeting strategic needs as well as to support innovation initiatives to advance the thematic priorities articulated in Penn State's Strategic Plan, "*Our Commitment to Impact*" (<http://strategicplan.psu.edu/>).

BUDGET REDUCTIONS AND COST SAVINGS INITIATIVES

For 2021-22, the budget includes reductions in operating budgets made possible through cost savings initiatives totaling \$39.4 million. This amount is composed of a combination of \$3.5 million in savings related to the restructuring of our SERS expenditures and \$2.7 million of reductions resulting from a plan under way to reduce institutional IT costs. An additional \$22.2 million in savings will be realized from a 2% across-the-board reduction of unit budgets. Another \$11 million in savings or additional revenues will be identified throughout 2021-22.

STUDENT INITIATED FEE

In Fall 2017, the Student Activity Fee and Student Facilities Fee was combined into one Student Initiated Fee. Our students requested this change to allow them more discretion in what services and programs to support. Additional revenue of \$22,000 will result from increases in the Student Initiated Fee at the campus locations, as determined by the students themselves. These funds will be used to support student activities, programs and facilities at the generating campuses. Student Initiated Fee charges by campus can be found in Schedule 2 in Tab D of this document.

STUDENT AID AND GRANTS-IN-AID

A total of \$1.3 million is included in the 2021-22 budget for increased costs of grants-in-aid, primarily for graduate assistants, fellowships, employees, and dependents. An increase of \$10 million is included in funding for student aid is included reflecting continued efforts to improve access and affordability.

TABLE 6
EDUCATIONAL AND GENERAL OPERATING BUDGET
2021-22 CENTRALLY-MANAGED EXPENSE CHANGES
(dollars in thousands)

		<u>UP Colleges/ Campus Locations</u>
Compensation (and Related Benefits Adjustments)		
1. Inflationary (merit-based) and Contractual	\$	24,708
2. Faculty Promotions & Summer Session		<u>2,822</u>
Sub-Total - Compensation (and Related Benefits Adj.)		27,530
Benefits		
1. Employee Health Insurances		13,267
2. Retirement		<u>404</u>
Sub-Total - Benefits		13,671
Property and Liability Insurances		4,760
Facilities and Maintenance		
1. Deferred Maintenance		0
2. Capital Improvement		9,117
3. Maintenance and Operation of New Facilities		2,687
4. Fuel and Utilities		<u>1,330</u>
Sub-Total - Facilities and Maintenance		13,134
Strategic Priorities, Innovation, Access & Affordability		12,000
Budget Reductions and Expense Adjustments		(39,449)
Student Initiated Fee		22
Student Aid and Grants-In-Aid		<u>11,260</u>
TOTAL EXPENSE CHANGES	\$	<u><u>42,928</u></u>

AGRICULTURAL RESEARCH AND COOPERATIVE EXTENSION

The traditional line items for Agricultural Research and Cooperative Extension are made available to Penn State through the Agricultural College Land Scrip Fund. The 2021-22 budget include level funding for Agricultural Research and Cooperative Extension of \$55.0 million.

Expense and income changes for the Agricultural Research and Cooperative Extension budgets are summarized in Table 7. Expense changes include \$1.4 million for benefits cost increases and a corresponding decrease in program funds. The budgets are funded primarily through state appropriations and support salaries, benefits, and operating costs for each program.

The College of Agricultural Sciences relies on the more than 150-year-old land grant partnership of federal, state, and county governments as the foundation for agricultural research and statewide extension programs. The state provides the required matching funds that allow Penn State to access Federal Agricultural Research appropriations and support from Pennsylvania's counties for Cooperative Extension.

TABLE 7
AGRICULTURAL RESEARCH AND COOPERATIVE EXTENSION
2021-22 CHANGES
(dollars in thousands)

Revenue:	
Appropriation	\$ <u>0</u>
TOTAL REVENUE CHANGES	<u>0</u>
Expense:	
Compensation and Employee Benefits Costs*	1,429
Program Changes	<u>(1,429)</u>
TOTAL EXPENSE CHANGES	\$ <u>0</u>

*Includes benefits cost increases for salaries paid on Agricultural Federal Funds.

THE PENN STATE HEALTH SYSTEM

The Penn State Health System is a subsidiary corporation within Penn State that was formed to operate the clinical activities, both hospital and physician.

Budgeted expenses of \$3.4 billion and income of \$3.4 billion for 2021-22, as shown in Table 1, were approved by the Board of Directors of the Health System.

Appropriation support from the Commonwealth to Penn State Health through the Pennsylvania Department Human Services are expected to total \$15.1 million.

THE PENNSYLVANIA COLLEGE OF TECHNOLOGY

Expense and revenue changes included in the 2021-22 budget for the Pennsylvania College of Technology (Penn College) are described below and shown in Tables 8 and 8A.

The Penn College Board of Directors approved a budget plan on June 10, 2021 that included level funding in state support, a decrease of \$8.3 million in projected tuition revenues, and an increase \$7.6 million in other revenue including use of fund balances. General Fund expenses will decrease by \$617,000.

The total 2021-22 operating budget for Penn College is \$157.3 million, as shown in Table 8A. This includes the general funds budget of \$111.4 million, restricted funds of \$19.5 million, and \$26.4 million for auxiliary enterprises.

TABLE 8
THE PENNSYLVANIA COLLEGE OF TECHNOLOGY
2021-22 GENERAL FUNDS BUDGET CHANGES
(dollars in thousands)

Revenue:

State Appropriation	\$	0
Tuition and Fees		(8,257)
Other		<u>7,640</u>

TOTAL REVENUE CHANGES \$ (617)

Expense:

Compensation Adjustments	\$	681
Employee Benefits		691
Other Expense		<u>(1,989)</u>

TOTAL EXPENSE CHANGES \$ (617)

TABLE 8A
THE PENNSYLVANIA COLLEGE OF TECHNOLOGY
2021-22 TOTAL OPERATING BUDGET
(dollars in thousands)

	<u>2020-21 Initial Budget</u>	<u>2020-21 Projected Year End</u>	<u>Changes</u>	<u>2021-22 Budget</u>
General Funds	\$ 112,032	\$ 110,454	\$ (617)	\$ 111,415
Restricted Funds	14,819	17,174	4,700	19,519
Auxiliary Enterprises	<u>29,786</u>	<u>28,186</u>	<u>(3,412)</u>	<u>26,374</u>
TOTAL	\$ <u>156,637</u>	\$ <u>155,814</u>	\$ <u>671</u>	\$ <u>157,308</u>

**SCHEDULES INCLUDED IN THE
RESOLUTIONS FOR APPROVAL OF THE
2021-22 OPERATING BUDGET, TAB D**

Schedule I provides a summary of the proposed total University budget for 2021-22. Amounts shown for restricted funds are estimates, which are included to provide a complete picture of the total University budget. Actual restricted funds amounts will depend on continuing receipt of grants and contracts and may be higher or lower than estimated.

Total University general funds revenue, including the College of Medicine and the Pennsylvania College of Technology, are shown in Schedule II, and Schedule III shows corresponding estimated general funds expenditures.

Footnotes to Schedules I through III in Tab D provide additional explanations of the proposed revenue and expense changes.

TAB B

ACADEMIC SALARY INFORMATION

Penn State's Rank among Select AAU Public Institutions and Big Ten Public Institutions by Year

Penn State's Rank among Select
AAU Public Institutions

Year	Professor	Associate Professor	Assistant Professor
2019-20	5	7	12
2018-19	6	6	14
2017-18	4	4	12
2016-17	4	4	9
2015-16	3	4	6
2014-15	3	4	7
2013-14	3	4	7
2012-13	5	2	9
2011-12	10	8	13
2010-11	7	6	10
2009-10	6	6	15
2008-09	5	5	13
2007-08	6	5	13
2006-07	7	5	13
2005-06	2	4	6
2004-05	2	3	7
2003-04	2	6	4
2002-03	4	6	8
2001-02	7	9	10
2000-01	8	10	12

Penn State's Rank among
Big Ten Public Institutions

Year	Professor	Associate Professor	Assistant Professor
2019-20	3	4	7
2018-19	3	3	9
2017-18	3	3	8
2016-17	3	3	6
2015-16	2	3	4
2014-15	3	3	5
2013-14	2	3	5
2012-13	3	2	5
2011-12	5	3	6
2010-11	3	2	5
2009-10	3	3	8
2008-09	2	2	7
2007-08	3	2	7
2006-07	4	2	6
2005-06	2	2	3
2004-05	2	2	3
2003-04	2	4	3
2002-03	3	5	4
2001-02	4	6	5
2000-01	5	6	7

Source: Association of American Universities Data Exchange (AAUDE)

Notes: The data for 2018-2019 are limited to Tenure-Line Faculty.

Unless indicated otherwise, the "**AAU Public**" Institutions include the University of Colorado, Boulder; the University of Illinois; the University of Indiana; the University of Iowa; Iowa State University; the University of Kansas; the University of Maryland; the University of Michigan; Michigan State University; the University of Minnesota, Twin Cities; the University of Missouri, Columbia; the University of Nebraska-Lincoln; the University of North Carolina at Chapel Hill; The Ohio State University; The Pennsylvania State University; the University of Pittsburgh; Purdue University; the University of Texas at Austin; the University of Virginia; the University of Washington; the University of Wisconsin-Madison.

Unless indicated otherwise, the "**Big Ten Public**" institutions include the University of Illinois, the University of Indiana, the University of Iowa, the University of Michigan, Michigan State University, the University of Minnesota, The Ohio State University, The Pennsylvania State University, Purdue University, and the University of Wisconsin-Madison.

TAB C

TUITION COMPARISONS

Announced Resident Undergraduate Tuition Increases 2021-22

	Tuition % Increase
University of Missouri, Columbia	5.00%
University of Connecticut, Storrs (a)	4.30%
Ohio State University, Columbus (a)	3.80%
University of Iowa, Iowa City	3.50%
University of Colorado, Boulder (a) (b)	3.00%
Virginia Tech, Blacksburg (b)	3.00%
Cornell University, Contract Colleges	2.90%
University of Texas, Austin	2.60%
University of Utah, Salt Lake City	2.50%
University of Temple, Philadelphia	2.50%
University of California - System	2.00%
Michigan State University, East Lansing	1.95%
West Virginia University, Morgantown (b)	1.80%
University of Minnesota, Twin Cities	1.50%
University of Michigan, Ann Arbor	1.40%
Indiana University, Bloomington	1.00%
University of Kentucky, Lexington	1.00%
University of Virginia, Charlottesville	0.00%
University of Nebraska, Lincoln	0.00%
University of Illinois, Urbana-Champaign	0.00%
University of Massachusetts, Amherst	0.00%
University of Tennessee, Knoxville	0.00%
University of Arizona, Tucson	0.00%
University of North Carolina, Chapel Hill (a)	0.00%
Purdue University, West Lafayette	0.00%
University of Wisconsin, Madison	0.00%

(a) Incoming Freshman Only

(b) Tuition and Fees

Gathered from legislative, university and news web sources as of July 9, 2021.

**2020-21 Undergraduate Tuition and Mandatory Fees
at Big Ten and Other Regional Universities - Main Campuses**

	<u>Resident</u>	<u>Non-Resident</u>
Pittsburgh	\$19,678	\$33,706
Virginia	18,968	52,945
Penn State	18,450	34,858
Illinois	16,862	34,312
Michigan	15,948	52,266
Rutgers	15,205	31,987
Minnesota	15,027	33,325
Michigan State	14,460	39,766
Ohio State	11,518	33,502
Indiana	11,221	37,601
Maryland	10,779	36,891
Wisconsin	10,742	38,630
Purdue	9,992	28,794
Iowa	9,606	31,569
Nebraska	9,562	26,692

**2020-21 Undergraduate Tuition and Mandatory Fees
at Selected Private Universities**

National (AAUDE*):

Columbia	62,880
Brown	60,584
Southern California	60,275
Pennsylvania	60,042
Dartmouth	59,458
Cornell	59,316
Tulane	58,852
Northwestern	58,701
Duke	57,931
Carnegie-Mellon	57,560
Washington University	56,893
California Institute of Technology	56,862
Princeton	56,470
Stanford	56,169
Johns Hopkins	54,160
Vanderbilt	54,158
Harvard	54,002
Massachusetts Institute of Technology	53,450

Other Pennsylvania Universities:

Gettysburg	59,960
Bucknell	58,202
Villanova	57,460
Lehigh	56,980

*Association of American University Data Exchange

Source: University of Virginia Survey/Websites

TAB D

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

**THURSDAY, JULY 15, 2021
FINANCE, BUSINESS AND CAPITAL PLANNING
AGENDA ITEM 3.D**

**Proposed Operating Budget for Fiscal Year Beginning July 1, 2021 with
Corresponding Tuition and Fees Effective for 2021 Fall Semester**

Will the Board of Trustees adopt the following resolution:

RESOLVED, that the proposed Operating Budget for the University for the fiscal year beginning July 1, 2021, as shown in the 2021-22 Proposed Operating Budget with corresponding Tuition and Fees Schedules, is approved.

(The 2021-22 Proposed Operating Budget and Tuition and Fees Schedules will be distributed to Trustees under separate cover.)

2021-22 PROPOSED OPERATING BUDGET

**THE PENNSYLVANIA STATE UNIVERSITY
2021-22 TOTAL OPERATING BUDGET
SCHEDULE I
SUMMARY SCHEDULE FOR TOTAL UNIVERSITY**

	(1) Initial Budget 2020-21	(2) 2020-21 Projected Year End	(3) Changes	(4) 2021-22 Budget
General Funds (a):				
Revenue	\$ 2,717,688,000	\$ 2,797,379,000	\$ 57,408,000	\$ 2,775,096,000
Expenditures	2,906,591,000	2,831,334,000	34,889,000	2,941,480,000
Surplus/(Deficit)	(188,903,000)	(33,955,000)	22,519,000	(166,384,000)
Federal Funds - Agriculture:				
Revenue	35,124,000	22,888,000	(12,248,000)	22,876,000
Expenditures	35,124,000	22,888,000	(12,248,000)	22,876,000
Surplus/(Deficit)	0	0	0	0
Restricted Funds (b):				
Revenue:				
Penn State (c)	724,638,000	865,403,000	115,480,000	840,118,000
Agric. Research & Cooperative Ext.	55,506,000	56,294,000	3,381,000	58,887,000
Pennsylvania College of Technology	14,819,000	17,174,000	4,700,000	19,519,000
Total - Revenue	794,963,000	938,871,000	123,561,000	918,524,000
Expenditures:				
Penn State (c)	724,638,000	847,403,000	108,280,000	832,918,000
Agric. Research & Cooperative Ext.	55,506,000	56,294,000	3,381,000	58,887,000
Pennsylvania College of Technology	14,819,000	17,174,000	4,700,000	19,519,000
Total - Expenditures	794,963,000	920,871,000	116,361,000	911,324,000
Surplus/(Deficit)	0	18,000,000	7,200,000	7,200,000
Auxiliary Enterprises (d):				
Revenue:				
Penn State	436,501,000	259,736,000	41,743,000	478,244,000
Pennsylvania College of Technology	29,786,000	28,186,000	(3,412,000)	26,374,000
Total - Revenue	466,287,000	287,922,000	38,331,000	504,618,000
Expenditures:				
Penn State	432,288,000	324,155,000	23,702,000	455,990,000
Pennsylvania College of Technology	29,786,000	28,186,000	(3,412,000)	26,374,000
Total - Expenditures	462,074,000	352,341,000	20,290,000	482,364,000
Surplus/(Deficit)	4,213,000	(64,419,000)	18,041,000	22,254,000
TOTAL REVENUE	4,014,062,000	4,047,060,000	207,052,000	4,221,114,000
TOTAL EXPENDITURES	4,198,752,000	4,127,434,000	159,292,000	4,358,044,000
SURPLUS/(DEFICIT)	(184,690,000)	(80,374,000)	47,760,000	(136,930,000)
Penn State Health System				
Revenue	2,951,000,000	3,342,061,000	483,918,000	3,434,918,000
Expenditures	2,892,000,000	3,231,702,000	475,935,000	3,367,935,000
Surplus/(Deficit)	59,000,000	110,359,000	7,983,000	66,983,000
TOTAL UNIVERSITY REVENUE	6,965,062,000	7,389,121,000	690,970,000	7,656,032,000
EXPENDITURES	7,090,752,000	7,359,136,000	635,227,000	7,725,979,000
SURPLUS/(DEFICIT)	\$ (125,690,000)	\$ 29,985,000	\$ 55,743,000	\$ (69,947,000)

Note: Footnotes follow Schedule III.

**THE PENNSYLVANIA STATE UNIVERSITY
2021-22 TOTAL OPERATING BUDGET
SCHEDULE II
SUMMARY OF GENERAL FUNDS REVENUE**

	(1) Initial Budget 2020-21	(2) 2020-21 Projected Year End	(3) Changes	(4) 2021-22 Budget	
GENERAL FUNDS:					
EDUCATIONAL & GENERAL (e):					
State Appropriation:					
Educational & General	\$ 242,096,000	\$ 242,096,000	\$ 0	(f) \$ 242,096,000	
Transfers	(5,032,000)	(5,032,000)	1,516,000	(3,516,000)	(g)
Sub-Total - State Appropriation	237,064,000	237,064,000	1,516,000	238,580,000	
Tuition and Fees	1,872,072,000	1,939,252,000	116,647,000	1,988,719,000	
Facilities & Administration	112,963,000	106,556,000	847,000	113,810,000	
Investment Income	22,445,000	22,594,000	0	22,445,000	
Academic Support from PSH (h)	73,700,000	71,700,000	(20,500,000)	53,200,000	
Other Income	228,371,000	250,833,000	(39,984,000)	188,387,000	
Total Educational & General	2,546,615,000	2,627,999,000	58,526,000	2,605,141,000	
AGRICULTURAL RESEARCH & COOPERATIVE EXTENSION:					
State Appropriation & E&G Transfers	57,541,000	57,541,000	(516,000)	(f) 57,025,000	(i)
Sales and Services Income	1,500,000	1,385,000	15,000	1,515,000	
Total Agricultural Research & Cooperative Extension	59,041,000	58,926,000	(501,000)	58,540,000	
Sub-Total University	2,605,656,000	2,686,925,000	58,025,000	2,663,681,000	
PA COLLEGE OF TECHNOLOGY (j):					
State Appropriation:					
PA College of Technology & Transfers	27,132,000	27,132,000	0	(f) 27,132,000	(k)
Tuition and Fees	81,828,000	77,988,000	(8,257,000)	73,571,000	
Other Income	3,072,000	5,334,000	7,640,000	10,712,000	
Total PA College of Technology	112,032,000	110,454,000	(617,000)	111,415,000	
TOTAL GENERAL FUNDS	\$ 2,717,688,000	\$ 2,797,379,000	\$ 57,408,000	\$ 2,775,096,000	

Note: Footnotes follow Schedule III.

**THE PENNSYLVANIA STATE UNIVERSITY
2021-22 TOTAL OPERATING BUDGET
SCHEDULE III
SUMMARY OF GENERAL FUNDS EXPENSE**

	(1) Initial Budget 2020-21	(2) 2020-21 Projected Year End	(3) Changes	(4) 2021-22 Budget
GENERAL FUNDS:				
EDUCATIONAL & GENERAL (l):				
Instruction	\$ 831,778,000	\$ 804,985,000	\$ 10,405,000	\$ 842,183,000
Research	158,765,000	155,749,000	2,151,000	160,916,000
Other Public Service	40,099,000	38,146,000	663,000	40,762,000
Academic Support	433,762,000	424,860,000	3,131,000	436,893,000
Institutional Support	564,529,000	543,296,000	(16,098,000)	548,431,000
Student Services	200,294,000	178,992,000	(7,842,000)	192,452,000
Student Aid	169,584,000	163,983,000	3,601,000	173,185,000
Physical Plant Operations	355,978,000	351,943,000	3,067,000	359,045,000
Compensation & Employee Benefits Adj (m):				
Merit & Other Inflationary Salary Increases	1,689,000	0	741,000	2,430,000
Merit & Other Inflationary Related Benefits	270,000	0	119,000	389,000
Benefits Cost Increases	(21,230,000)	0	36,069,000	14,839,000
Total Educational & General (n)	2,735,518,000	2,661,954,000	36,007,000	2,771,525,000
AGRICULTURAL RESEARCH & COOPERATIVE EXTENSION (o):				
Compensation & Employee Benefits Adj.:				
Merit & Other Inflationary Salary Increases	0		612,000	612,000
Merit & Other Inflationary Related Benefits	0		98,000	98,000
Benefits Cost Increases	1,086,000		(367,000)	719,000
Program Changes	57,955,000	58,926,000	(844,000)	57,111,000
Total Agricultural Research & Cooperative Extension (p)	59,041,000	58,926,000	(501,000)	58,540,000
Sub-Total	2,794,559,000	2,720,880,000	35,506,000	2,830,065,000
PA COLLEGE OF TECHNOLOGY (q)	112,032,000	110,454,000	(617,000)	111,415,000
TOTAL GENERAL FUNDS	\$ 2,906,591,000	\$ 2,831,334,000	\$ 34,889,000	\$ 2,941,480,000

Note: Footnotes follow Schedule III.

Footnotes for Schedules I - III

Schedule I:

- (a) Detailed schedules of General Funds revenue and expenditures are in Schedule II and III.
- (b) Includes Grants, Contracts, Restricted Gifts and Restricted Endowment Income. The 2021-22 Budget is based on preliminary 2020-21 actual and 2021-22 estimated income.
- (c) Includes College of Medicine, excludes Agricultural Research & Cooperative Extension and Penn College.
- (d) Self-supporting budgets representing sales and services, primarily to individuals. Educational and General Auxiliary Enterprises include Housing and Food Services, Intercollegiate Athletics, Commons Operations, Penn State Hospitality Services, Bryce Jordan Center, and Airport Operations.

Schedule II:

- (e) Includes College of Medicine, excludes Agricultural Research & Cooperative Extension and Penn College.
- (f) Includes flat funding in state support from the 2020-21 level.
- (g) Represents a transfer to other line items for redistribution of 2005-06 and 2004-05 increases; and for a proportionate share of the 1997-98 Special Projects appropriation.
- (h) Reflects funding received by the College of Medicine from Penn State Health (PSH).
- (i) Represents the following transfers: \$720,000 redistribution of 2005-06 increase, \$918,000 redistribution of 2004-05 increase and \$427,000 for a proportionate share of the 1997-98 Special Projects appropriation.
- (j) Penn College is a separate but wholly owned subsidiary of the University administered through the Corporation for Penn State.
- (k) Represents the following transfers: \$293,000 redistribution of 2004-05 increase and \$103,000 for a proportionate share of the 1997-98 Special Projects appropriation.

Schedule III:

- (l) Includes College of Medicine, excludes Agricultural Research & Cooperative Extension and Penn College.
- (m) A salary pool to satisfy contractual obligations and faculty promotions.
- (n) Employee benefits and Merit GSI expense distributed by function.
- (o) Includes expenditures offset by funding allocated by the Commonwealth and by sales and services income.
- (p) Includes allocated employee benefits for Agricultural Research and Cooperative Extension personnel paid on Federal Funds-Agriculture.
- (q) The Pennsylvania College of Technology (Penn College) is a separate but wholly owned subsidiary of the University administered through the Corporation for Penn State.

2021-22 TUITION AND FEES SCHEDULES

TO CORRESPOND WITH

2021-22 PROPOSED OPERATING BUDGET

**Schedule 1
University Park Tuition
Projected 2021-22 Tuition ****

	<u>Per Academic Year</u>			<u>Full-Time Per Semester</u>			<u>Part-Time Per Credit</u>		
	<u>2020-21</u>	<u>Increase</u>	<u>2021-22</u>	<u>2020-21</u>	<u>Increase</u>	<u>2021-22</u>	<u>2020-21</u>	<u>Increase</u>	<u>2021-22</u>
<u>Pennsylvania Residents</u>									
<i>Undergraduate:</i>									
Lower Division including Associate:									
Freshmen & Sophomore	17,920	448	18,368	8,960	224	9,184	747	18	765
Upper Division: (a)									
Junior & Senior:									
Business, Science, IST, EMS, & Engineering (b)	21,284	532	21,816	10,642	266	10,908	887	22	909
Nursing	22,988	574	23,562	11,494	287	11,781	958	24	982
All Other Programs	19,332	484	19,816	9,666	242	9,908	806	20	826
<i>Graduate:</i>									
MBA	27,442	754	28,196	13,721	377	14,098	1,143	32	1,175
Business, Science, IST, EMS, & Engineering (b)	23,928	658	24,586	11,964	329	12,293	997	27	1,024
All Other Programs	22,464	618	23,082	11,232	309	11,541	936	26	962
Graduate Assistantships, Fellowships	18,700	520	19,220	9,350	260	9,610	-	-	-
<u>Non-Pennsylvania Residents</u>									
<i>Undergraduate:</i>									
Lower Division including Associate:									
Freshmen & Sophomore	34,984	962	35,946	17,492	481	17,973	1,458	40	1,498
Upper Division: (a)									
Junior & Senior:									
Business, Science, IST, EMS, & Engineering (b)	38,944	1,070	40,014	19,472	535	20,007	1,623	44	1,667
Nursing	41,326	1,136	42,462	20,663	568	21,231	1,722	47	1,769
All Other Programs	36,740	1,010	37,750	18,370	505	18,875	1,531	42	1,573
<i>Graduate:</i>									
MBA	43,800	1,204	45,004	21,900	602	22,502	1,825	50	1,875
Business, Science, IST, EMS, & Engineering (b)	39,720	1,092	40,812	19,860	546	20,406	1,655	46	1,701
All Other Programs	38,198	1,050	39,248	19,099	525	19,624	1,592	43	1,635
Graduate Assistantships, Fellowships	18,700	520	19,220	9,350	260	9,610	-	-	-

**Tuition and fees rates apply regardless of the method of instruction (that is, whether in-person or otherwise) and will not be refunded in the event instruction occurs remotely for any part of the Academic Year.

Schedule 1
Medicine, Law, and Great Valley School of Graduate Professional Studies
Projected 2021-22 Tuition **

	<u>Per Academic Year</u>			<u>Full-Time Per Semester</u>			<u>Part-Time Per Credit</u>		
	<u>2020-21</u>	<u>Increase</u>	<u>2021-22</u>	<u>2020-21</u>	<u>Increase</u>	<u>2021-22</u>	<u>2020-21</u>	<u>Increase</u>	<u>2021-22</u>
<u>Pennsylvania Residents</u>									
College of Medicine at Hershey:									
Medical	50,960	1,402	52,362	25,480	701	26,181	-	-	-
Graduate	23,928	658	24,586	11,964	329	12,293	997	27	1,024
Master of Physician Assistant Program	-	-	-	13,011	358	13,369	-	-	-
Great Valley Graduate Center:									
MBA	25,558	702	26,260	12,779	351	13,130	1,065	29	1,094
All Other Programs	25,558	702	26,260	12,779	351	13,130	1,065	29	1,094
Dickinson Law	52,344	1,032	53,376	26,172	516	26,688	2,181	43	2,224
Penn State Law	50,400	1,248	51,648	25,200	624	25,824	2,100	52	2,152
Graduate Assistantships, Fellowships	18,700	520	19,220	9,350	260	9,610	-	-	-
<u>Non-Pennsylvania Residents</u>									
College of Medicine at Hershey:									
Medical	50,960	1,402	52,362	25,480	701	26,181	-	-	-
Graduate	39,720	1,092	40,812	19,860	546	20,406	1,655	46	1,701
Master of Physician Assistant Program	-	-	-	13,011	358	13,369	-	-	-
Great Valley Graduate Center:									
MBA	41,360	1,138	42,498	20,680	569	21,249	1,723	48	1,771
All Other Programs	41,360	1,138	42,498	20,680	569	21,249	1,723	48	1,771
Dickinson Law	52,344	1,032	53,376	26,172	516	26,688	2,181	43	2,224
Penn State Law	50,400	1,248	51,648	25,200	624	25,824	2,100	52	2,152
Graduate Assistantships, Fellowships	18,700	520	19,220	9,350	260	9,610	-	-	-

**Tuition and fees rates apply regardless of the method of instruction (that is, whether in-person or otherwise) and will not be refunded in the event instruction occurs remotely for any part of the Academic Year.

Schedule 1
Altoona, Berks, Behrend, and Harrisburg
Projected 2021-22 Tuition **

	<u>Per Academic Year</u>			<u>Full-Time Per Semester</u>			<u>Part-Time Per Credit</u>		
	<u>2020-21</u>	<u>Increase</u>	<u>2021-22</u>	<u>2020-21</u>	<u>Increase</u>	<u>2021-22</u>	<u>2020-21</u>	<u>Increase</u>	<u>2021-22</u>
<u>Pennsylvania Residents</u>									
<i>Undergraduate:</i>									
Lower Division including Associate:									
Freshmen & Sophomore	14,718	368	15,086	7,359	184	7,543	613	16	629
Upper Division: (a)									
Junior & Senior:									
Business, Science, IST, EMS, & Engineering (c)	17,794	444	18,238	8,897	222	9,119	741	19	760
All Other Programs	15,974	400	16,374	7,987	200	8,187	666	16	682
<i>Graduate:</i>									
MBA	-	-	-	-	-	-	947	26	973
Business, Science, IST, EMS, & Engineering (c)	23,750	654	24,404	11,875	327	12,202	990	27	1,017
All Other Programs	22,296	614	22,910	11,148	307	11,455	929	26	955
Graduate Assistantships, Fellowships	18,700	520	19,220	9,350	260	9,610	-	-	-
<u>Non-Pennsylvania Residents</u>									
<i>Undergraduate:</i>									
Lower Division including Associate:									
Freshmen & Sophomore	24,428	672	25,100	12,214	336	12,550	1,018	28	1,046
Upper Division: (a)									
Junior & Senior:									
Business, Science, IST, EMS, & Engineering (c)	27,976	770	28,746	13,988	385	14,373	1,166	32	1,198
All Other Programs	25,956	714	26,670	12,978	357	13,335	1,082	29	1,111
<i>Graduate:</i>									
MBA	-	-	-	-	-	-	1,468	40	1,508
Business, Science, IST, EMS, & Engineering (c)	30,662	844	31,506	15,331	422	15,753	1,278	35	1,313
All Other Programs	29,222	804	30,026	14,611	402	15,013	1,218	33	1,251
Graduate Assistantships, Fellowships	18,700	520	19,220	9,350	260	9,610	-	-	-

**Tuition and fees for apply regardless of the method of instruction (that is, whether in-person or otherwise) and will not be refunded in the event instruction occurs remotely for any part of the Academic Year.

**Schedule 1
Abington
Projected 2021-22 Tuition ****

	<u>Per Academic Year</u>			<u>Full-Time Per Semester</u>			<u>Part-Time Per Credit</u>		
	<u>2020-21</u>	<u>Increase</u>	<u>2021-22</u>	<u>2020-21</u>	<u>Increase</u>	<u>2021-22</u>	<u>2020-21</u>	<u>Increase</u>	<u>2021-22</u>
<u>Pennsylvania Residents</u>									
<i>Undergraduate:</i>									
Lower Division including Associate:									
Freshmen & Sophomore	14,044	352	14,396	7,022	176	7,198	578	14	592
Upper Division (a):									
Junior & Senior:									
Business, Science, IST, Engineering	16,958	424	17,382	8,479	212	8,691	665	17	682
All other programs	15,158	378	15,536	7,579	189	7,768	624	16	640
<i>Graduate:</i>									
Business, Science, IST, EMS, & Engineering (d)	23,750	654	24,404	11,875	327	12,202	990	27	1,017
All Other Programs	22,296	614	22,910	11,148	307	11,455	929	26	955
<u>Non-Pennsylvania Residents</u>									
<i>Undergraduate:</i>									
Lower Division including Associate:									
Freshmen & Sophomore	23,232	638	23,870	11,616	319	11,935	968	27	995
Upper Division (a)									
Junior & Senior:									
Business, Science, IST, EMS, & Engineering (d)	26,562	730	27,292	13,281	365	13,646	1,107	30	1,137
All Other Programs	24,566	676	25,242	12,283	338	12,621	1,024	28	1,052
<i>Graduate:</i>									
Business, Science, IST, EMS, & Engineering (d)	30,084	828	30,912	15,042	414	15,456	1,254	34	1,288
All Other Programs	28,640	788	29,428	14,320	394	14,714	1,193	33	1,226

**Tuition and fees rates apply regardless of the method of instruction (that is, whether in-person or otherwise) and will not be refunded in the event instruction occurs remotely for any part of the Academic Year.

Schedule 1
Brandywine, Hazleton, Lehigh Valley, Schuylkill, Scranton, York, and World Campus *
Projected 2021-22 Tuition **

	<u>Per Academic Year</u>			<u>Full-Time Per Semester</u>			<u>Part-Time Per Credit</u>		
	<u>2020-21</u>	<u>Increase</u>	<u>2021-22</u>	<u>2020-21</u>	<u>Increase</u>	<u>2021-22</u>	<u>2020-21</u>	<u>Increase</u>	<u>2021-22</u>
<u>Pennsylvania Residents</u>									
<i>Undergraduate:</i>									
Lower Division including Associate:									
Freshmen & Sophomore	13,988	350	14,338	6,994	175	7,169	576	14	590
Upper Division: (a)									
Junior & Senior:	15,098	378	15,476	7,549	189	7,738	617	15	632
<i>Graduate:</i>									
Business, Science, IST, EMS, & Engineering (d)	23,416	644	24,060	11,708	322	12,030	976	27	1,003
All Other Programs	22,186	610	22,796	11,093	305	11,398	924	26	950
<u>Non-Pennsylvania Residents</u>									
<i>Undergraduate:</i>									
Lower Division including Associate:									
Freshmen & Sophomore	22,978	632	23,610	11,489	316	11,805	957	27	984
Upper Division: (a)									
Junior & Senior	24,030	660	24,690	12,015	330	12,345	1,001	28	1,029
<i>Graduate:</i>									
Business, Science, IST, EMS, & Engineering (d)	29,722	818	30,540	14,861	409	15,270	1,238	35	1,273
All Other Programs	28,406	782	29,188	14,203	391	14,594	1,184	32	1,216

* World Campus - applicable rates are PA Resident, Lower Division, Upper Division and Graduate All Other Programs (other program-based rates may apply).

**Tuition and fees rates apply regardless of the method of instruction (that is, whether in-person or otherwise) and will not be refunded in the event instruction occurs remotely for any part of the Academic Year.

Schedule 1
Beaver, DuBois, Fayette, Greater Allegheny, Mont Alto, New Kensington, and Wilkes-Barre
Projected 2021-22 Tuition **

	Per Academic Year			Full-Time Per Semester			Part-Time Per Credit		
	<u>2020-21</u>	<u>Increase</u>	<u>2021-22</u>	<u>2020-21</u>	<u>Increase</u>	<u>2021-22</u>	<u>2020-21</u>	<u>Increase</u>	<u>2021-22</u>
<u>Pennsylvania Residents</u>									
<i>Undergraduate:</i>									
Lower Division including Associate:									
Freshmen & Sophomore	13,222	330	13,552	6,611	165	6,776	545	14	559
Upper Division: (a)									
Junior & Senior:									
Business, Science, IST, Engineering (c)	14,900	372	15,272	7,450	186	7,636	600	15	615
All other programs	14,272	356	14,628	7,136	178	7,314	588	15	603
<i>Graduate:</i>									
Business, Science, IST, EMS, & Engineering (d)	22,376	616	22,992	11,188	308	11,496	932	26	958
All Other Programs	21,202	584	21,786	10,601	292	10,893	883	25	908
<u>Non-Pennsylvania Residents</u>									
<i>Undergraduate:</i>									
Lower Division including Associate:									
Freshmen & Sophomore	21,814	600	22,414	10,907	300	11,207	909	25	934
Upper Division: (a)									
Junior & Senior	23,066	634	23,700	11,533	317	11,850	961	27	988
<i>Graduate:</i>									
Business, Science, IST, EMS, & Engineering (d)	28,292	778	29,070	14,146	389	14,535	1,179	32	1,211
All Other Programs	27,038	744	27,782	13,519	372	13,891	1,127	31	1,158

**Tuition and fees rates apply regardless of the method of instruction (that is, whether in-person or otherwise) and will not be refunded in the event instruction occurs remotely for any part of the Academic Year.

**Schedule 1
Shenango
Projected 2021-22 Tuition ****

	<u>Per Academic Year</u>			<u>Full-Time Per Semester</u>			<u>Part-Time Per Credit</u>		
	<u>2020-21</u>	<u>Increase</u>	<u>2021-22</u>	<u>2020-21</u>	<u>Increase</u>	<u>2021-22</u>	<u>2020-21</u>	<u>Increase</u>	<u>2021-22</u>
<u>Pennsylvania Residents</u>									
<i>Undergraduate:</i>									
Lower Division including Associate:									
Freshmen & Sophomore	12,978	324	13,302	6,489	162	6,651	525	13	538
Upper Division: (a)									
Junior & Senior:									
Business, Science, IST, EMS, & Engineering (d)	14,900	372	15,272	7,450	186	7,636	600	15	615
All Other Programs	14,006	350	14,356	7,003	175	7,178	563	14	577
<i>Graduate:</i>									
Business, Science, IST, EMS, & Engineering (d)	21,042	578	21,620	10,521	289	10,810	877	24	901
All Other Programs	19,942	548	20,490	9,971	274	10,245	831	23	854
<u>Non-Pennsylvania Residents</u>									
<i>Undergraduate:</i>									
Lower Division including Associate:									
Freshmen & Sophomore	21,402	588	21,990	10,701	294	10,995	892	24	916
Upper Division: (a)									
Junior & Senior	22,632	622	23,254	11,316	311	11,627	943	26	969
<i>Graduate:</i>									
Business, Science, IST, EMS, & Engineering (d)	27,760	764	28,524	13,880	382	14,262	1,157	32	1,189
All Other Programs	26,528	730	27,258	13,264	365	13,629	1,105	31	1,136

**Tuition and fees rates apply regardless of the method of instruction (that is, whether in-person or otherwise) and will not be refunded in the event instruction occurs remotely for any part of the Academic Year.

Footnotes for 2021-22 Tuition Rate Schedules

- (a) The upper division rate will apply to undergraduate students with a minimum of 59.1 credits, regardless of how earned.
- (b) Includes upper division and graduate programs at University Park in the Smeal College of Business (excluding MBA), the College of Engineering, the College of Earth and Mineral Sciences, the Eberly College of Science, and the College of Information Sciences and Technology. Also includes the intercollege programs of Acoustics, Bioengineering, Ecology, Genetics, Integrative Biosciences, Materials, Neuroscience, Operations Research, Physiology, and Plant Biology. Upper division students enrolled in the Economics program in the College of Liberal Arts are also included in these rates.
- (c) Includes upper division and graduate programs in the following Erie and Harrisburg departments/schools: School of Science (Erie), School of Business (Erie), School of Engineering and Engineering Technology (Erie), Science/Engineering (Harrisburg), and Business Administration (Harrisburg). Also includes upper division programs in the Altoona and Berks departments of Business and Science. Also includes upper division and graduate programs at Altoona, Berks, Erie, and Harrisburg in the Smeal College of Business, the College of Engineering, the College of Earth and Mineral Sciences, the Eberly College of Science, and the School of Information Sciences and Technology.
- (d) Includes upper division and graduate programs in the following: Abington, Beaver, Brandywine, DuBois, Fayette, Greater Allegheny, Hazleton, Lehigh Valley, Mont Alto, New Kensington, Schuylkill, Shenango, Wilkes-Barre, Scranton, and York departments of Business and Science. Also includes upper division and graduate programs at Abington, Beaver, Brandywine, DuBois, Fayette, Greater Allegheny, Hazleton, Lehigh Valley, Mont Alto, New Kensington, Schuylkill, Shenango, Wilkes-Barre, Scranton, and York in the Smeal College of Business, the College of Engineering, the College of Earth and Mineral Sciences, the Eberly College of Science, and the School of Information Sciences and Technology.

NOTE: Specific tuition rates for each student by campus, level and program can be accessed at the following web site: <http://tuition.psu.edu>.

*Tuition and fees rates apply regardless of the method of instruction (that is, whether in-person or otherwise) and will not be refunded in the event instruction occurs remotely for any part of the Academic Year.

Schedule 2
2021-22 Student Initiated Fee
Per Semester

Fall and Spring 2021-22

	9 or More Credits	5 to Less Than 9 Credits	Less Than 5 Credits
Abington	\$250.00	\$188.00	\$78.00
Altoona	250.00	188.00	78.00
Beaver	250.00	188.00	78.00
Berks	250.00	188.00	78.00
Brandywine	250.00	188.00	78.00
DuBois	250.00	188.00	78.00
Erie	250.00	188.00	78.00
Fayette	250.00	188.00	78.00
Great Valley	128.00	96.00	40.00
Greater Allegheny	250.00	188.00	78.00
Harrisburg	250.00	188.00	78.00
Hazleton	250.00	188.00	78.00
Lehigh Valley	250.00	188.00	78.00
Mont Alto	250.00	188.00	78.00
New Kensington	250.00	188.00	78.00
Schuylkill	250.00	188.00	78.00
Scranton	250.00	188.00	78.00
Shenango	192.00	144.00	60.00
University Park	265.00	199.00	82.00
Wilkes-Barre	192.00	144.00	60.00
York	250.00	188.00	78.00
Dickinson Law	91.00	68.00	28.00
Penn State Law	290.00	218.00	90.00
Hershey (non-medical)	36.00	27.00	11.00
Hershey (medical)	72.00	charge per academic year	

Proposed Amendment to Section 2.2(d) of the Bylaws of Penn State Health

Text to be stricken is shown below in blue. Text to be added is shown below in red.

Section 2.2 Reserved Powers of PSU. In addition to and in furtherance of those powers held by a member of a nonprofit corporation under the NPCL, PSU shall have the following rights and powers with respect to the Corporation:

*

(d) subject to Section 2.3 hereof, to approve any indebtedness of the Corporation or its controlled affiliates that would cause the debt to capitalization ratio of the Corporation on a consolidated basis to be at ~~35%~~ **42.5%** or higher;

*

** Subsections (a) through (c), and (e) through (i) of Section 2.2 remain unchanged and are omitted here.*