

## MINUTES OF MEETING

### **BOARD OF TRUSTEES**

VOLUME 314

November 15, 2019

A meeting of the Board of Trustees was held in Dean's Hall of the Penn Stater Hotel and Conference Center, University Park, PA, at 1:00 p.m. on November 15, 2019.

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

Present by invitation were Faculty Senate members Clements, Ozment, Rowland, and Seymour; student representatives Griggs, Kelling, McKinney, Tierney, Near, and Walsh; representatives Bechtel-Wherry, Belkowski and Houston; and staff members Barbour, Bundy, Dunham, Goffe, Gray, Guadagnino, Hanes, Huston, Jones, Lokman, Massini, Moore, Mulroy-Degenhart, Pangborn, Sims, Welch and Whitehurst.

Chair Dambly called the meeting to order and noted that the Board met in Executive Session earlier in the day to discuss various privileged matters. He called for a moment of silence to recognize the recent passing of former trustee Walter Peechatka, then welcomed Shannon Harvey who will begin her term as Director for the Board of Trustees in January. Dambly reported on the University's many military appreciation events, including this year's special recognition of those who served in World War II; the opening of the Student Veteran's Center at University Park; and the Seats for Service members program which provided complimentary football tickets to over 7,000 active duty, guard, and reserve military, veterans, and fallen and gold star families.

Chair Dambly then introduced two student guests who were invited to address the Board. Wil Dunn, Director of the 2019 Class Gift Campaign, reported on this year's graduating class selection, an endowment to Counseling and Psychological Services (CAPS). Matt Keenan spoke about his student veteran experience, including the unique challenges of balancing real-life responsibilities and transitioning to civilian life while attending the University. Next, Dambly introduced an aerospace engineering team whose work with Johns Hopkins Applied Physics Laboratory and will culminate in the launch of "Dragonfly," a drone-like multi-rotor vehicle which will explore Saturn's largest moon, Titan, for the NASA New Frontiers mission. Jack Langelaan, on behalf of Penn State team members Jose Palacios, Sven Schmitz, and Ed Smith, spoke about the collaborative development of the device and plans for its investigation of Titan's atmosphere, geography and geology.

Finally, Chair Dambly recognized those Emeriti Trustee Members in attendance: Clemens, Eckel, Huber, McCombie, Myers, Riley, Robinson, and Wise.

Frank Guadagnino, Secretary of the Board, reported that all Trustees but Lubert, Pegula, Redding and Wolf were in attendance. Chair Dambly noted that the number present for a quorum was satisfied and proceeded with the meeting.

### **Election of Officer of the Board of Trustees**

In July 2019, officers of the Board of Trustees were elected; the position of Director, Board of Trustees Office/Associate Secretary was vacant at that time. As Shannon S. Harvey has been hired to fill the position, the term will commence on January 2, 2020 and conclude on June 30, 2020 and until a successor is elected in accordance with the Bylaws of the University. Board members received ballots to elect the Associate Secretary of the Board; the results were tabulated by Vice Presidents Rich Bundy and Tracey Huston.

Following the election, it was reported that effective January 2, 2020, Shannon S. Harvey will serve as Associate Secretary of the Board.

### **Committee on Audit and Risk**

At its meeting on October 25, 2019, the Committee voted to accept, on behalf of the Board, the audited financial statements for the year ending June 30, 2019.

### **Action Items – Consent Agenda**

Chair Dambly noted that Action Items A-G presented in the Consent Agenda had been bundled for the sake of efficiency, but that each Trustee was entitled to request that any item be discussed and voted on individually. Chair Dambly provided background for each of these items. The Committee on Finance, Business and Capital Planning recommended that the Board of Trustees approve resolutions D-G. A motion to approve Consent Agenda Action Items A-G, was seconded and approved by the Board.

- A. Approval of the *Minutes* of the meetings of the Board held on September 13, 2019.

- B. Authorization to Confer Degrees

The President of the University, or designee, was authorized to confer degrees at the end of the 2020 Spring Semester, Summer Session, and Fall Semester upon those students who have completed at those times the necessary requirements.

- C. Proposed Date of Election of Trustees by Delegates from Agricultural Societies, by the Alumni, for Business and Industry, and At-Large

May 7, 2020 was approved as the date for the delegate election of agricultural trustees, and for counting of the ballots in the alumni election. May 8, 2020 was approved as the date for the election of business and industry, and at-large trustees.

- D. Proposed Appointment of an Architect, Physics Building and Osmond Renovation, University Park

RESOLVED, That the Officers of the University are authorized to employ ZGF Architects of Washington, DC, to design the Physics Building and Osmond Renovation at University Park.

FURTHER BE IT RESOLVED, Final plans for the project will be brought to the Board of Trustees for approval when designed and costs have been established.

- E. Proposed Appointment of an Architect, Third Floor Hospital Renovation, Penn State Health Milton S. Hershey Medical Center

RESOLVED, That the Officers of the University are authorized to employ Flad Architects of Madison, Wisconsin, to design the Third Floor Hospital Renovation at Penn State Health Milton S. Hershey Medical Center.

FURTHER BE IT RESOLVED, Final plans for the project will be brought to the Board of Trustees for approval when designed and costs have been established.

- F. Proposed Appointment of an Architect, Radiation/Oncology Renovations, Penn State Health Milton S. Hershey Medical Center

RESOLVED, That the Officers of the University are authorized to employ BDA Architects of Clarks Summit, Pennsylvania, to design the Radiation/Oncology Renovations, Penn State Health Milton S. Hershey Medical Center.

FURTHER BE IT RESOLVED, Final plans for the project will be brought to the Board of Trustees for approval when designed and costs have been established.

- G. Proposed Approval of the Continuation of Development Services Agreement Between the Research Park Management Corporation and the Pennsylvania State University

RESOLVED, That the Board of Trustees approves the extension of the Development Services Agreement between the University and RPMCo, whereby RPMCo provides management, supervision and coordination of development at Innovation Park, to January 31, 2030.

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

**Action Items – Other**

- A. Proposed Final Plan Approval and Authorization to Expend Funds, Second Floor PACU Renovations, Penn State Health Milton S. Hershey Medical Center

David Gray, Senior Vice President for 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 Second Floor PACU Renovations, as designed by BDA Architects of Clarks Summit, Pennsylvania, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds and award contracts to accomplish the project be approved at a cost of \$13,000,000.

- B. Proposed Final Plan Approval and Authorization to Expend Funds, West Deck and Roadway Connection, University Park

David Gray 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 West Deck and Roadway Connection at University Park, as designed by Clayco, Inc., of St. Louis, Missouri, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project in the amount of \$60,570,000 is approved.

- C. Proposed Final Plan Approval and Authorization to Expend Funds, James Building Replacement, University Park

David Gray 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 James Building Replacement at University Park, as designed by Kieran Timberlake of Philadelphia, Pennsylvania, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of \$56.8 million.

- D. Proposed Acquisition of 3011-3015 Research Drive, Ferguson Township, Centre County, Pennsylvania

David Gray 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 Board of Trustees approves the acquisition of 3011-3015 Research Drive, State College, Ferguson Township, Centre County, Pennsylvania, comprised of 2.31 acres and one building totaling 19,200 gross square feet, from Leitzinger Properties for an amount not to exceed \$1,625,000.

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

E. Proposed Amendment to September 2017 Approval of Fiscal Year 2018-19 to Fiscal Year 2022-23 Capital Plan

David Gray provided remarks and context for this item. Following discussion, a motion to approve the following resolutions was seconded and approved by the Board.

WHEREAS, at its September 15, 2017 meeting the Board of Trustees authorized a five-year plan of capital expenditures by the University and its controlled affiliate, Penn State Health, for the period FY2018-19 to FY 2022-23 ("the Capital Plan"); and

WHEREAS, as part of the Capital Plan, total Penn State Health and College of Medicine capital commitments between July 1, 2018 and June 30, 2023 were approved by the Board of Trustees for up to \$1.447 billion; and

WHEREAS, the Board of Trustees at its May 3, 2019 meeting authorized Penn State Health, acting through its Board of Directors ("PSH Board of Directors"), to incur debt for, among other purposes, planned capital expenditures, and upon the exclusive obligation and credit of the Penn State Health Obligated Group, and to pledge the revenue of the PSH Obligated Group to repay such debt; and

WHEREAS, in connection with the establishment of Penn State Health as its own separate obligated group, capital expenditures attributable solely to Penn State Health under the current Capital Plan are being removed from the Capital Plan and will be subject to approval by the PSH Board of Directors; and

WHEREAS, upon such removal, as it relates to PSH and the College of Medicine, the Capital Plan will include only capital expenditures relating to the College of Medicine for University-owned or controlled projects that benefit either the College of Medicine and/or both the College of Medicine and Penn State Health (collectively, "COM/PSH Projects"); and

WHEREAS, Article V, Section 5.09(a)(iii)(1) requires approval by the Board of Trustees for the "Establishment of, or changes in the University's five-year Capital Plan."

THEREFORE, BE IT RESOLVED, that total capital commitments under the Capital Plan for COM/PSH Projects for the period of Fiscal Year 2018-19 to Fiscal Year 2022-23 are hereby reduced from \$1.447 billion to \$775 million.

F. Proposed Amendment to September 2017 Borrowing Authority for The Pennsylvania State University

David Gray provided remarks and context for this item. A motion to approve the following resolutions was seconded and approved by the Board.

WHEREAS, at its September 15, 2017 meeting the Board of Trustees authorized \$2.2 billion of borrowing and guaranty of indebtedness to support the

University's capital plan for the University and its controlled affiliate, Penn State Health, for the period FY2018-19 to FY 2022-23 ("Borrowing Authority"); and

WHEREAS, at its September 15, 2017 meeting the Board of Trustees authorized a five-year plan of capital expenditures by the University and its controlled affiliate, Penn State Health (PSH), for the period FY2018-19 to FY 2022-23 (the "Capital Plan"); and

WHEREAS, as part of the Capital Plan, total Penn State Health and College of Medicine borrowing allocation (including capital leases and contingencies) between July 1, 2018 and June 30, 2023 was approved by the Board of Trustees for up to \$588.3 million; and

WHEREAS, the Board of Trustees at its May 3, 2019 meeting authorized Penn State Health, acting through its Board of Directors, to incur debt for, among other purposes, planned capital expenditures, and upon the exclusive obligation and credit of the Penn State Health Obligated Group, and to pledge the revenue of the PSH Obligated Group to repay such debt; and

WHEREAS, in connection with the establishment of Penn State Health as its own separate obligated group, Borrowing Authority attributable solely to Penn State Health is being rescinded, with any such borrowing being hereafter subject to approval by the Penn State Health Board of Directors (and the Board of Trustees if required by the Penn State Health Bylaws); and

WHEREAS, upon such rescission, as it relates to the PSH and the College of Medicine, the University's Borrowing Authority will include only borrowing and guaranty of indebtedness relating to the College of Medicine for University-owned or controlled projects that benefit either the College of Medicine and/or both the College of Medicine and Penn State Health (collectively, "COM/PSH Projects"); and

WHEREAS, Article V, Section 5.09(a)(ii)(5) requires approval by the Board of Trustees for the "Authorization to borrow money."

THEREFORE, BE IT RESOLVED, that total borrowing authority for the period of Fiscal Year 2018-19 to Fiscal Year 2022-23 is hereby reduced from \$2.2 billion to \$2.012 billion, with allocation for COM/PSH Projects reduced from \$588.3 million to \$400 million.

G. Proposed *Bylaw* Amendments: Term Limits

Trustee Potts, chair of the Board's Committee on Governance and Long-Range Planning, reported the committee's support of the recommendation to clarify the intention of term limits for the board; the clarification provides that no individual may serve as a trustee for more than a total of 12 years, whether served in consecutive terms, or not.

A motion to approve the revision to *Bylaws* Section 2.01(b) as noted in Appendix I was seconded and approved by the Board.

[Appendix I]

H. Selection of Recipients of the 2020 Distinguished Alumni Award

The Board received recommended nominees from the Distinguished Alumni Award Screening Committee to consider in their selection of the 2020 slate of honorees. Honorees were elected by written ballot, which were tallied by appointed tellers, Rich Bundy and Tracey Huston, and reported to Board Secretary Frank Guadagnino.

Recorded remarks are available at <https://youtu.be/CulugB7nB28>

### **President's Report and Discussion**

President Barron delivered a report titled *Bucking the Trends: Preparing for the Future*. He discussed the current enrollment picture at Penn State; demographic trends and implications; and how Penn State plans to meet the challenges ahead. The major demographic trends that will impact Penn State (and other colleges and universities) are a declining high school population, declining numbers of college bound students; and a changing socioeconomic and racial mix, with growth in first in family and minority populations. Dr. Barron covered a wide range of ways that Penn State is preparing to meet these changes. In particular, he believes Penn State must compete on quality and outcomes. Penn State must be more competitive in need-based aid. And Penn State needs to improve transfer, adult learner, and especially retention strategies, because it's more cost effective to retain students than to recruit new ones.

Recorded remarks are available at <https://youtu.be/CulugB7nB28>. For companion slides, reference Appendix II.

[Appendix II]

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

Chair Dambly called for other matters to come before the Board. There being no other business, the public meeting was adjourned at 2:34 p.m. The meeting is available in its entirety at <https://youtu.be/CulugB7nB28>

Respectfully submitted,

Frank T. Guadagnino  
Secretary, Board of Trustees

## Appendix I

## Revision to Bylaws Section 2.01(b) [Term Limits]

Section 2.01 of the Bylaws shall be amended by deleting clause (b) in its entirety and substituting the following therefor.

(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 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.

# Bucking the Trends: Preparing for the Future



A Discussion with the Board of Trustees  
November 15, 2019



PennState



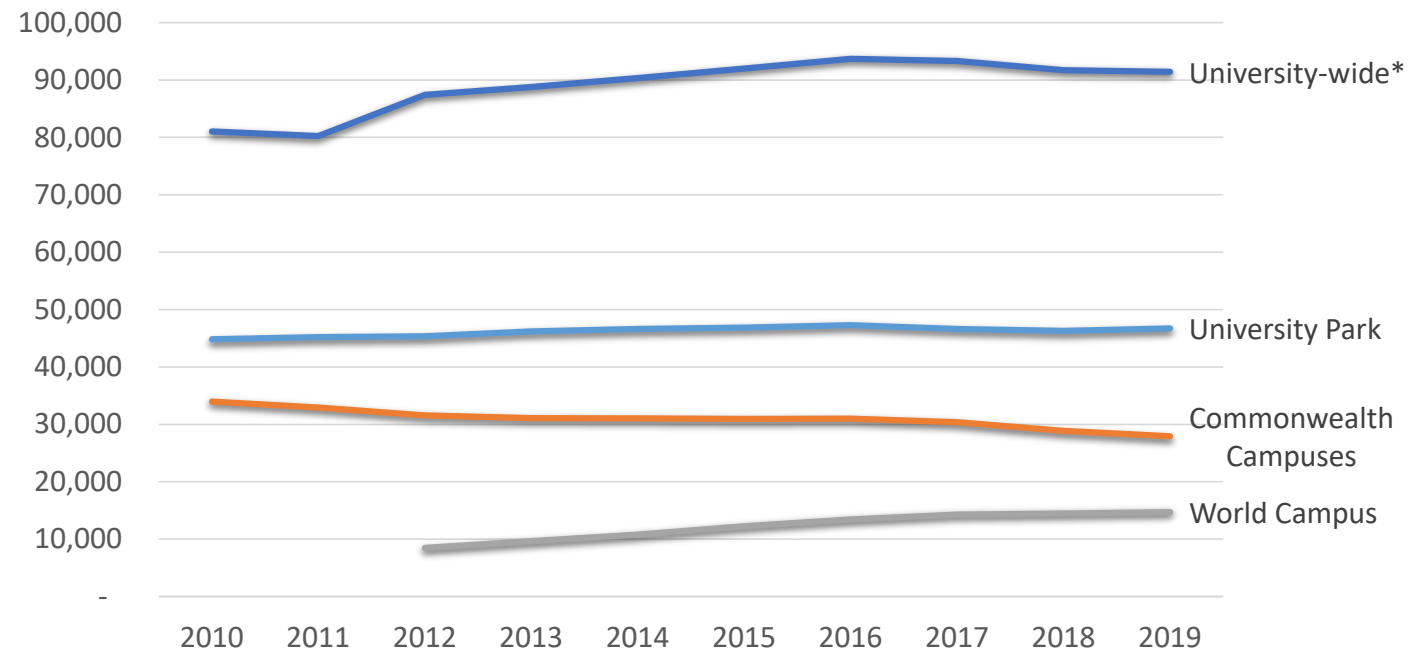
## Presentation Overview

- Current Enrollment Picture at Penn State.
- Demographic Trends and Implications.
- Penn State Plans to Meet the Challenges Ahead.



# Undergraduate and Graduate Enrollment

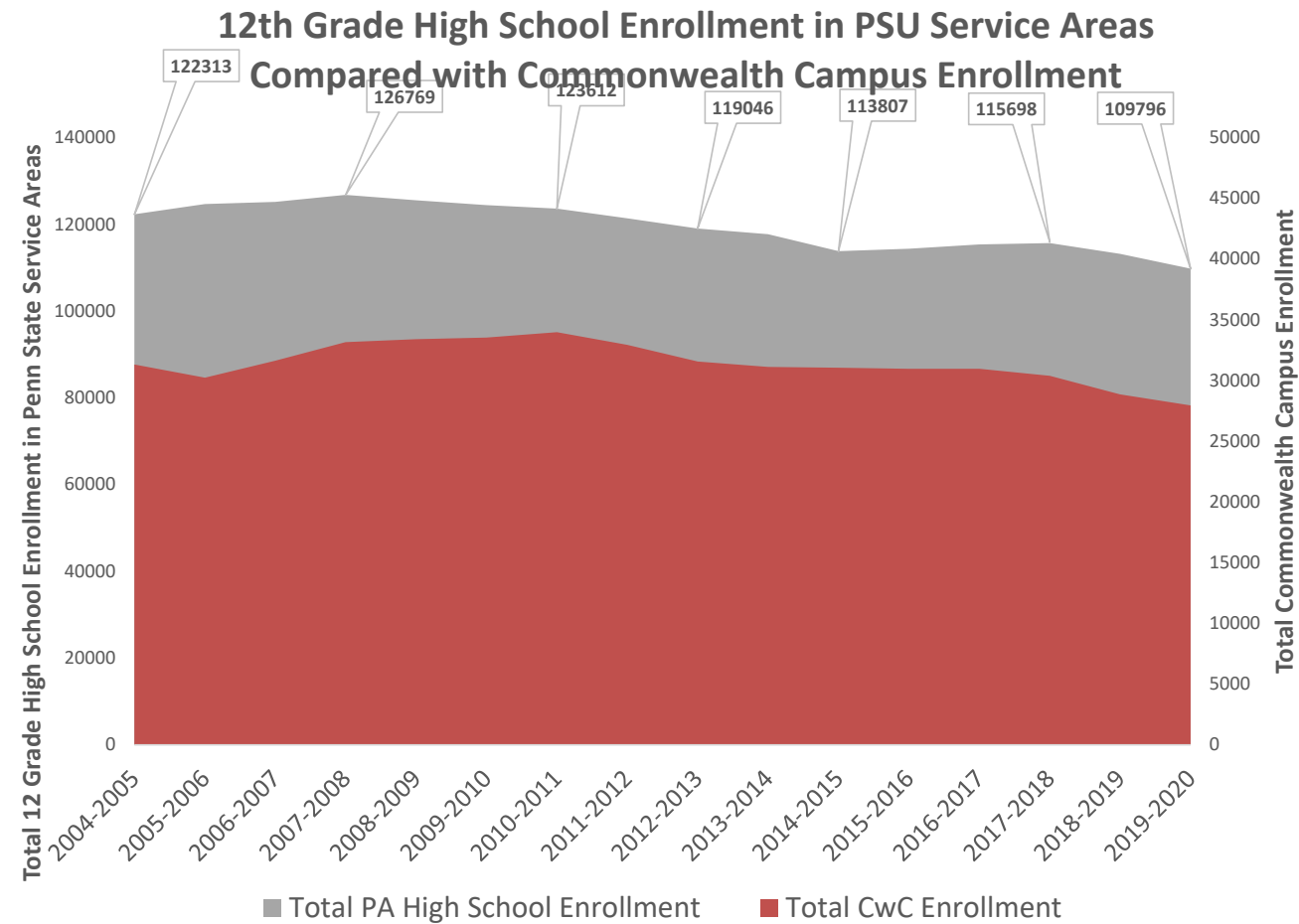
- Note: University Park demand steady; Commonwealth Campuses down in headcount since 2010.
- Total decrease in FTE much less due to focus on full-time students; movement of BSB and MBA students to World Campus; and 20% increase in four-year students via investment in market driven programs.



\*Excludes Penn College

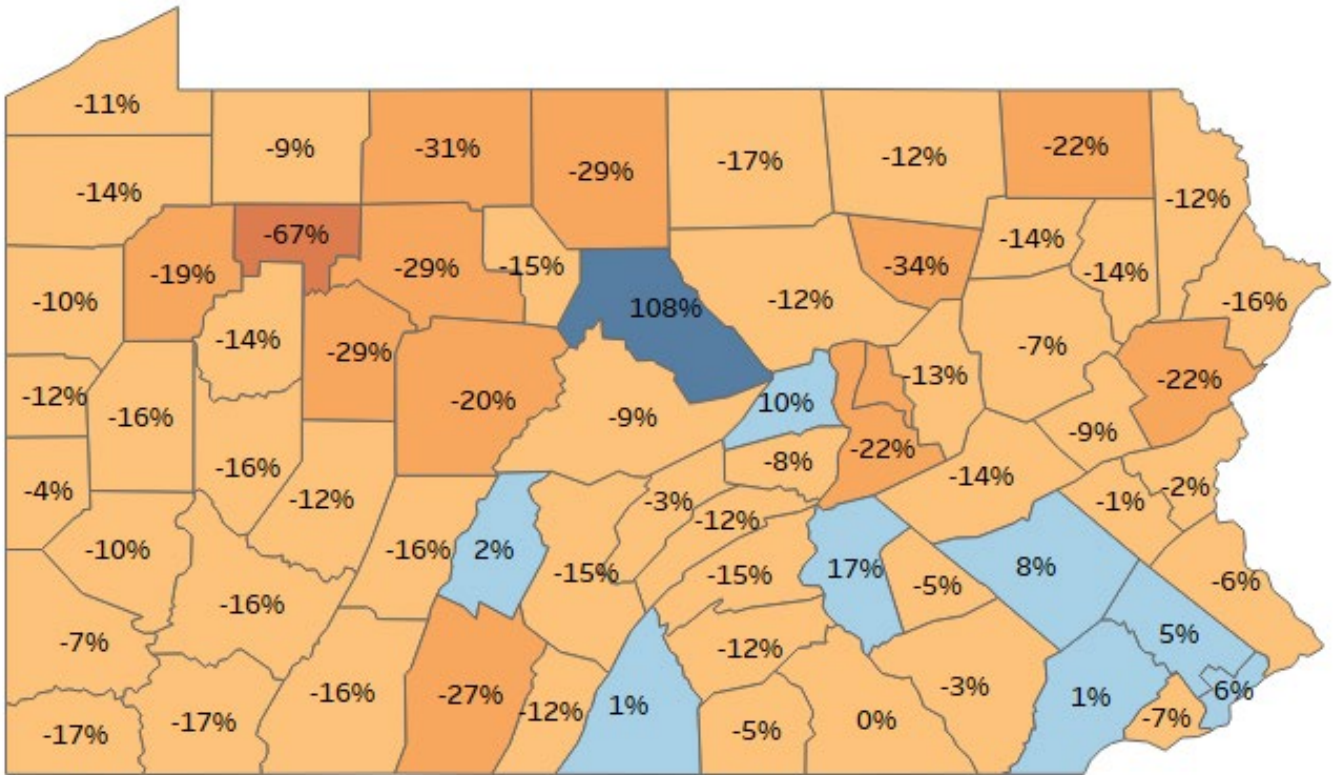


# Key Factors Controlling Enrollment Trends



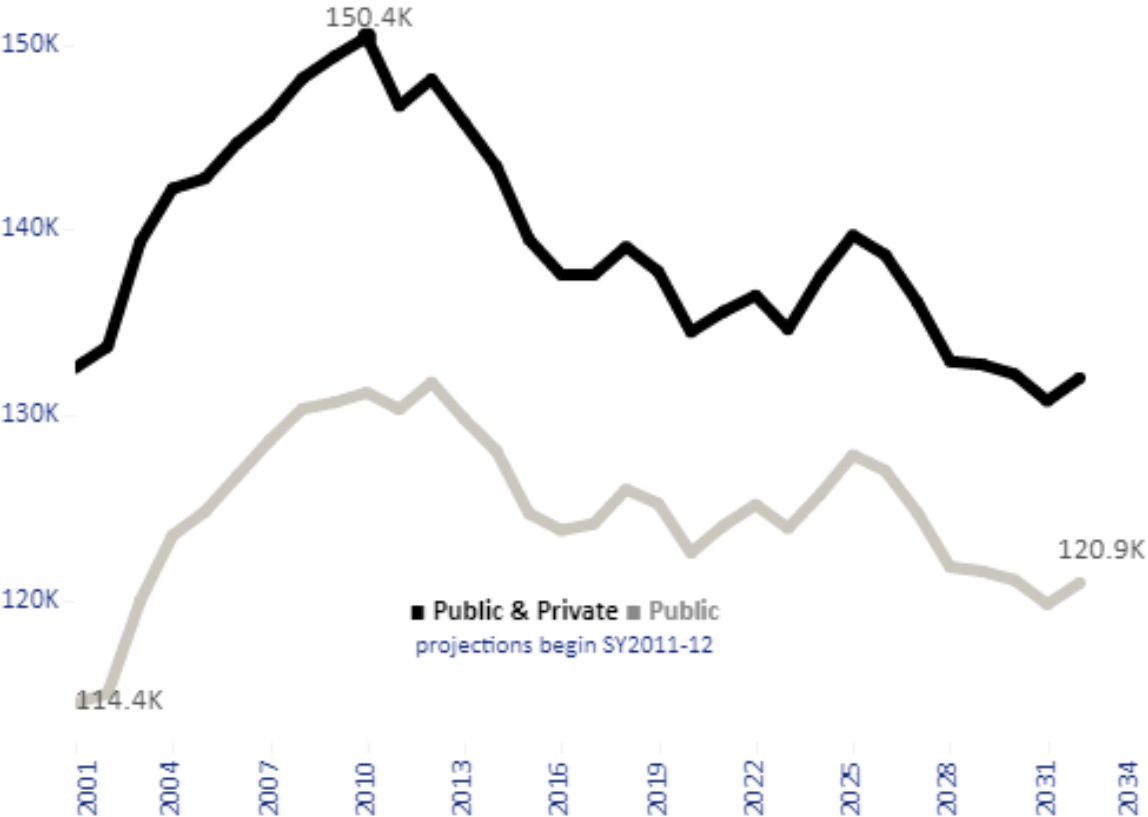


# Change in Public High School 12<sup>th</sup> Grade Population by County (2008-09 to 2017-18)



Data Source: U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), "Public Elementary/Secondary School Universe Survey"

# PA High School Graduate Trends



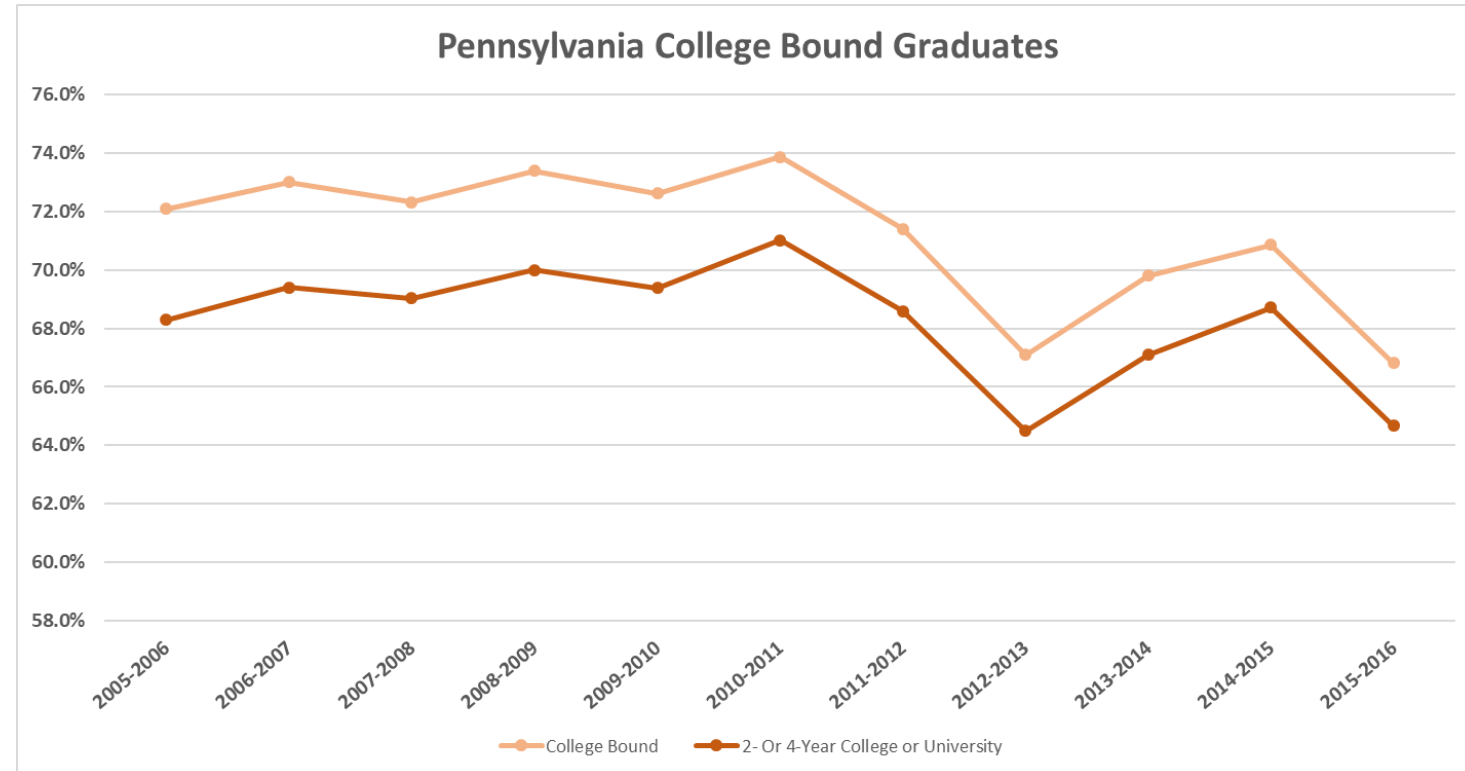
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PennState

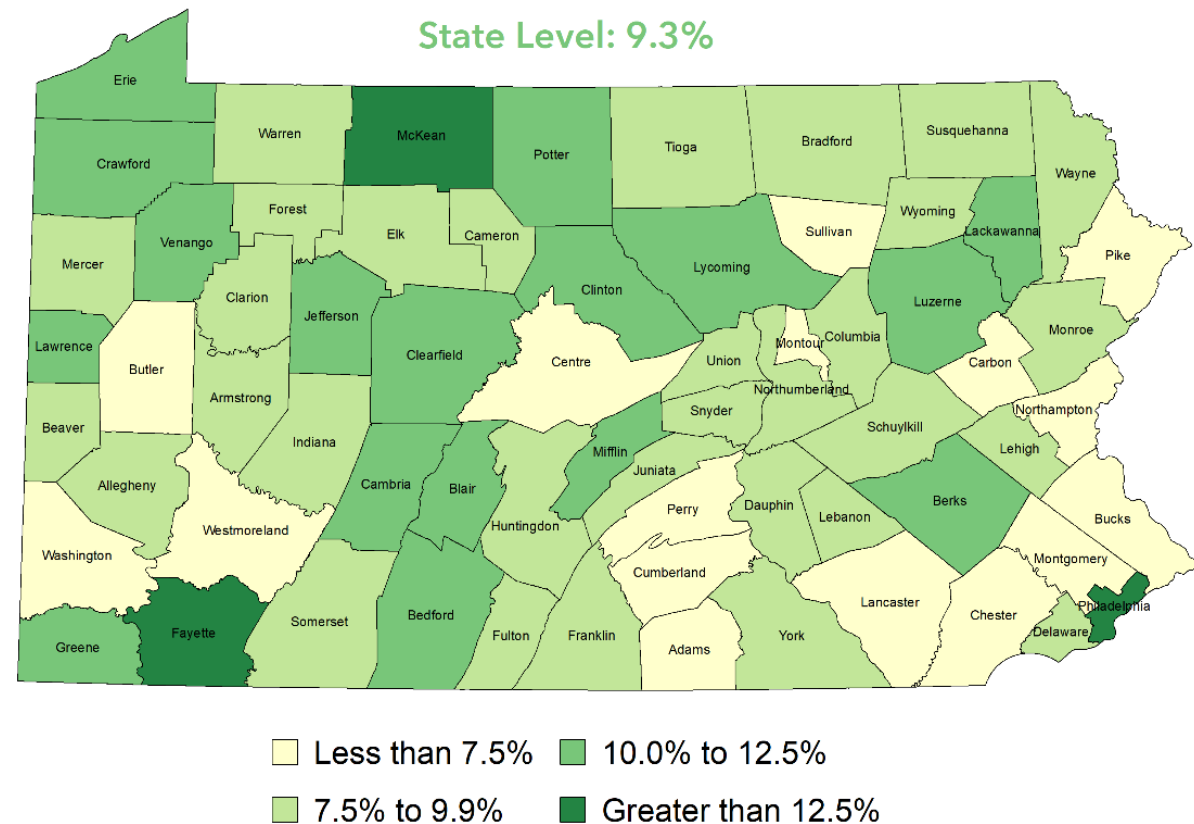
# PA College Bound Graduates

- Decreases in the number of high school graduates exacerbated by the declining number of college bound graduates.



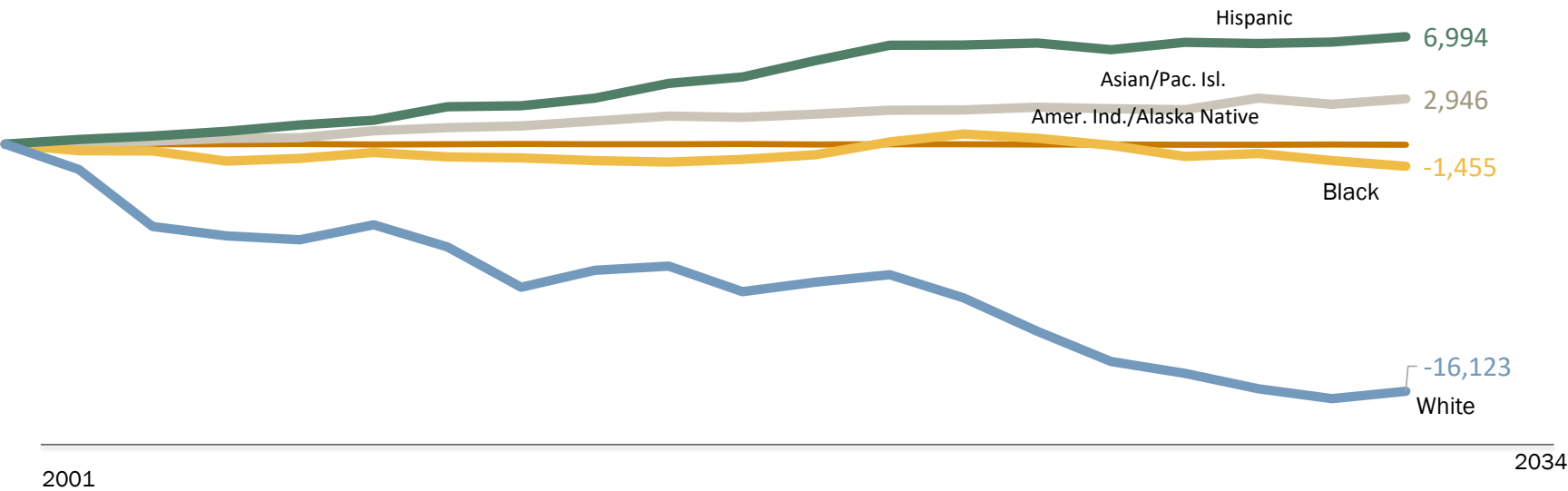
## Percent of Families Living in Poverty by County

- One out of every 7.6 residents lives in poverty. PA ranks 22<sup>nd</sup> nationally.
- Highest poverty in Phila. followed by Fayette County, McKean, Erie, and Luzerne.





# A Changing Mix of Students



<https://knocking.wiche.edu/state-profiles>



# Summary of PA Demographic Trends

- Declining high school population.
- Declining numbers of college bound students.
- Socioeconomic and racial/ethnic mix is changing, with growth in first in family and minority populations: African American, Asian, and Hispanic.



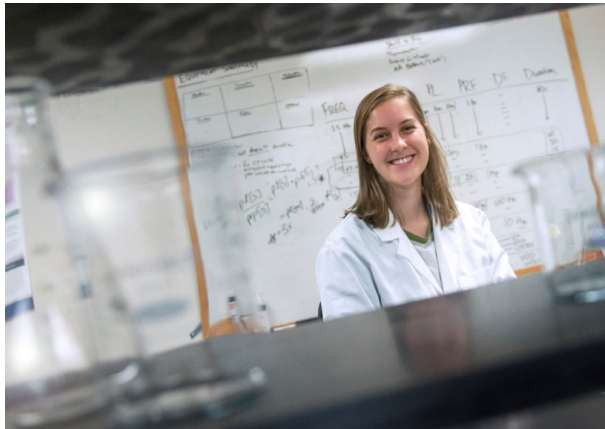
## Additional Trends and Challenges

- Low fertility: Since the Great Recession in 2008, the total fertility rate has fallen by almost 20%. Had pre-recession fertility rates remained steady through 2018, there would have been 800,000 more births.
- Expect a sizable decline in prospective college students nationally beginning in 2026.
- Many states down from peak (Michigan -16%; Connecticut -11%; Vermont -27%, with more losses to come.)
- The racial/ethnic mix of high school graduates continues to shift significantly toward a more diverse population.
- New international enrollment fell by 6.6% at American universities in 2017-18, making the second straight year of declines.

Source: Demographer Kenneth Johnson, WICHE, and Open Doors survey.



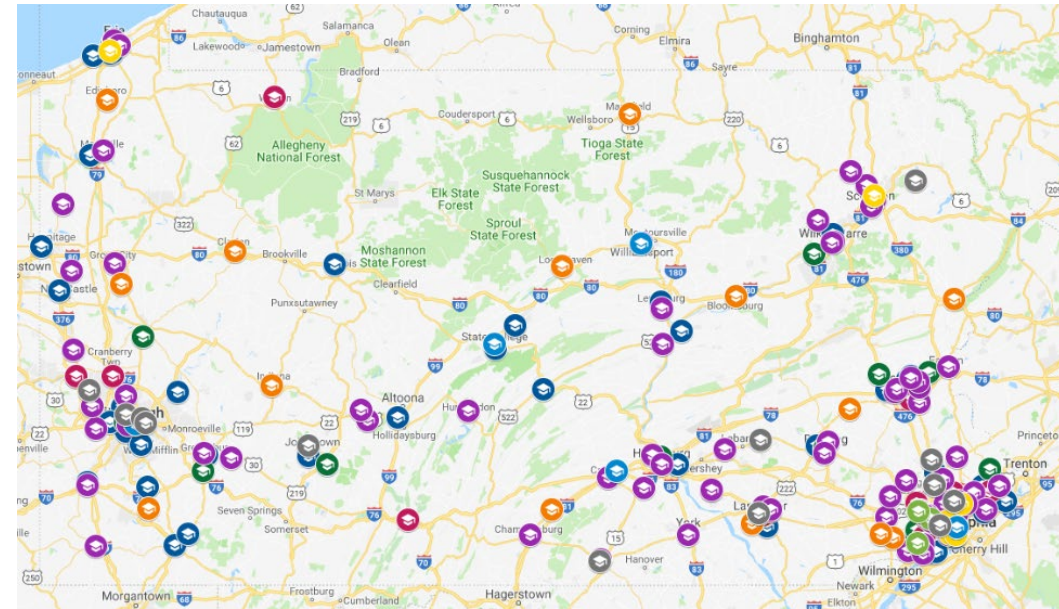
# How Do We Compare With Other Institutions?



# Declining Enrollment in a Crowded Field

- PASSHE is down 20% since 2010, and down 2.6% over last year.
- Some selective colleges missed targets by 25% or more.
- Bucknell University, Muhlenberg College, Dickinson College, Cabrini College, Ursinus College, and St. Joseph's University all missed enrollment targets.

Source: 9/30/2019 Philadelphia Inquirer - Philly Edition



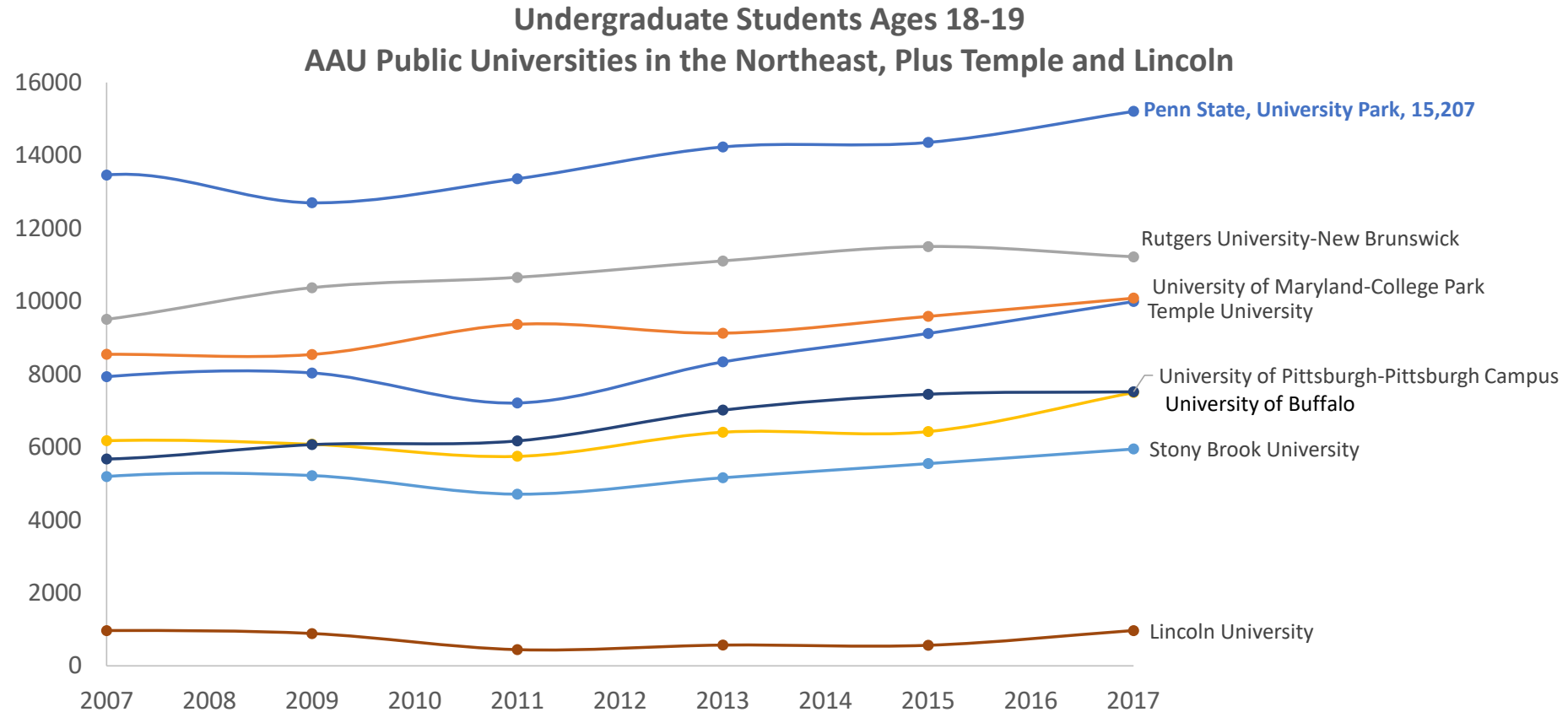
- |                       |                                             |
|-----------------------|---------------------------------------------|
| ● PASSHE              | ● Private Colleges/Universities             |
| ● Community Colleges  | ● Theological Seminaries                    |
| ● State-Related       | ● Private 2-Year Colleges                   |
| ● Thaddeus Stevens    | ● Specialized Associate Degree Institutions |
| ● Private State-Aided | ● Out-of-State Provider                     |

Source: Pennsylvania's Department of Education



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# Enrollment Among Selected AAU Publics





# An Increasingly Competitive Environment for Recruiting PA Students

- Flagship and Big Ten institutions in New England, Mid-Atlantic and Midwest are focusing on PA students with financial incentives such as the National Buckeye Scholarship for non-Ohio residents and PA Spartan Grants.

**Pittsburgh Post-Gazette**

**Pitt to match Pell grants in effort to boost access, lower student debt**



## Pennsylvania Spartan Grant

The Pennsylvania Spartan Grant automatically awards a minimum of \$10,000 to Pennsylvania residents who are admitted to Michigan State University as an incoming freshman pursuing an undergraduate degree. This grant is renewable for four years as long as the recipient continues to meet the criteria outlined in the [out-of-state scholarship regulations](#). Michigan State's application for admissions, including the required essay, is sufficient for award consideration.



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# Projections

- Colleges with regional catchment areas will more closely follow population trends (declining enrollment).
- Highly selective schools can expect an upward trend in demand (up about 10% between now and 2025).
- Recruitment efforts ramped up in search of new markets.
- Intensified price competition likely to impact financial stability.
- Intensified efforts to be able to support students with significant financial need.

Source: *Demographics and the Demand for Higher Education*



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# How is Penn State Addressing Changing Demographics?

1. Increasing the size of the pool of students.
2. Getting a bigger share of the pool.
3. Focus on retention.
4. Focus on excellence and student success.





# Increasing the Size of the Pool

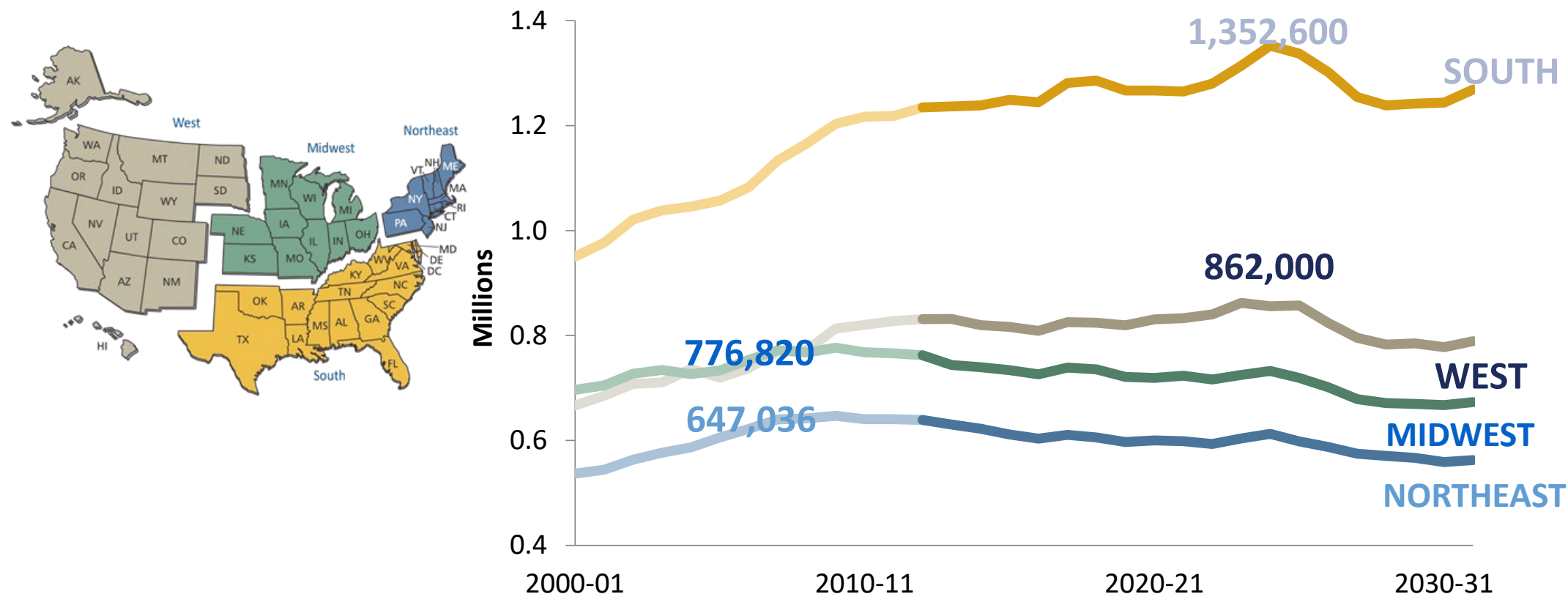


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# 1. Targeting Areas of Growth

Total Public and Private High School Graduates, 2000-01 to 2031-32



## 2. Identifying Untapped Geographic Markets

- Ramp up out-of-state recruitment efforts, esp. in California, Texas, Midwest/Big Ten territory, northern Virginia and Florida (one of fastest growing areas).
- Reorganize/refocus staff and territories in New England, Mid-Atlantic, Ohio and Virginia.
- Align university enrollment marketing strategy to address demographic changes and support market expansion efforts.
- Stronger focus on countries beyond China and India; target potential new markets in South America and Africa.
- New task force to focus on international recruitment.



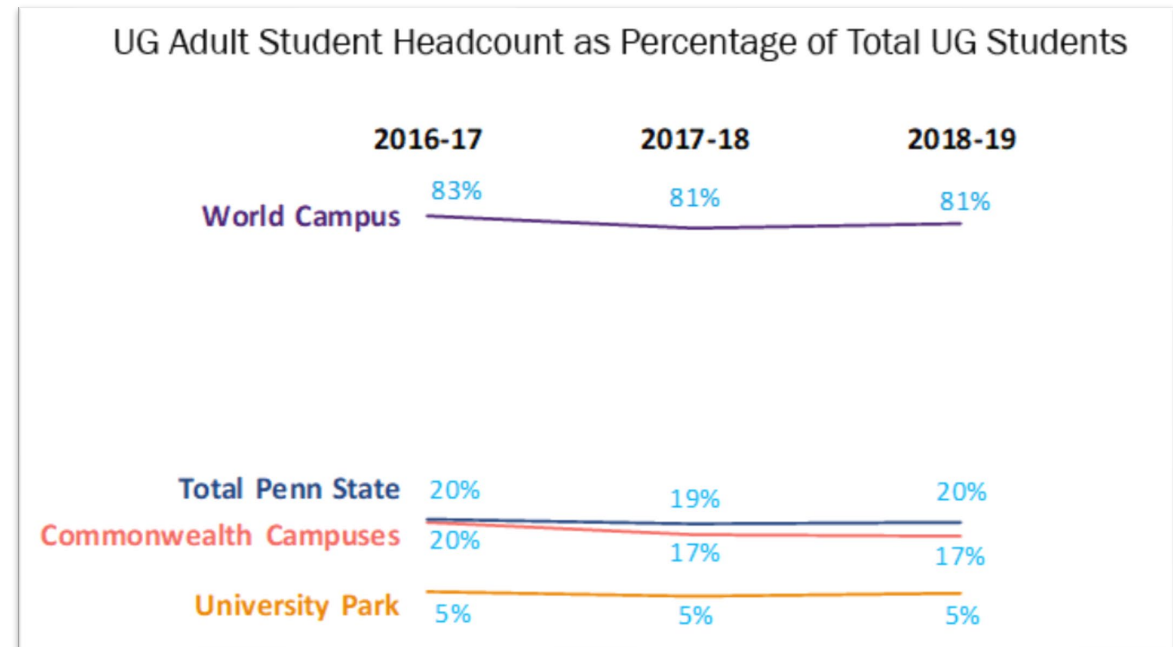
### 3. Becoming More Transfer Friendly

- 25% increase in transferable courses (94,000+) in the database since last July. 55% of those are direct equivalents for PSU courses.
- [preapproval@psu.edu](mailto:preapproval@psu.edu) allows applicants to send course syllabi for review before acceptance.
- Launched an enhanced Transfer Credit Tool.
- Dedicated staff to process World Campus and Commonwealth Campus offers of admission and syllabi reviews.
- New Course Submission and Review System has improved military course evaluations.



## 4. Working to Accommodate Adult Learners

- Adult learners comprise 20% of Penn State's full-time undergraduates; part time adult learners comprise about 20% of Commonwealth Campus students and 80% of World Campus students.
- One Penn State 2025.



Note: Headcount includes students enrolled as of March 31, 2019



## 5. Focusing on Diversity and Inclusion

- Diversity is a moral, educational and business imperative.
- Increased investment and attention on events and recruitment to promote diversity, equity and inclusion.
- Continuing to recognize role of Commonwealth Campuses as a driver of diversity.
- University and philanthropic role in support of first in family college students.





# Getting a Bigger Share of the Pool



PennState

THESE ARE ONLY ONE YEAR'S STATE, BUT YOURS COULD BE YOUR LAST. AS ANY ONE OF OUR 50 CAMPUSES IN COMMONWEALTH'S ACROSS-YEAR-TOGETHER.

## DISCOVER AWARD

**Choose Your Campus**

An advantage to pursuing your degree at a Penn State campus is the savings. Tuition and fees are discounted to be as affordable as possible for out-of-state students. Through our Discover Award, qualifying students save \$6,000 per year for their first two years of their Penn State education and \$2,000 per year for the third and fourth years. That's up to \$20,000 in total if you start and finish your degree at one of Penn State's campuses other than University Park.

**Year Over Year Savings**

Years	Savings
YEARS 1 & 2	\$6,000 / student year
YEARS 3 & 4	\$7,000 / student year
<b>TOTAL SAVINGS</b>	<b>\$26,000 / four-year value</b>

**Details and Eligibility:**

- Qualifying students must be first-year undergraduates and must be one of the following: out-of-state, Maryland, New Jersey, New York, China, Hong Kong, and New Heights as well as the Commonwealth of the Bahamas.
- Students who start and finish their degree at one of Penn State's 50 eligible campuses may receive \$20,000 in total savings.
- Students who decide to transfer to the University Park campus for their third and fourth years would receive one year of eligible savings toward their Penn State degree.

**Penn State's network of campuses gives out-of-state students options and access—options for the type of environment where you will study and where to explore and degrees that fit the workforce needs most. Every Penn State campus has a distinct character. Urban or suburban, city or town, large and big or that comes with much. And each has the spirit and pride that make it uniquely Penn State.**

**Choosing a Major**

Every Penn State campus offers their own degree options as well as a number of programs to suit any interest. Whether you decide on general business, healthcare, social sciences, or the liberal arts, Penn State has the degree program choice right for you.

For an up-to-date listing of all Penn State majors, visit [admissions.psu.edu/undergraduate/majors](http://admissions.psu.edu/undergraduate/majors)

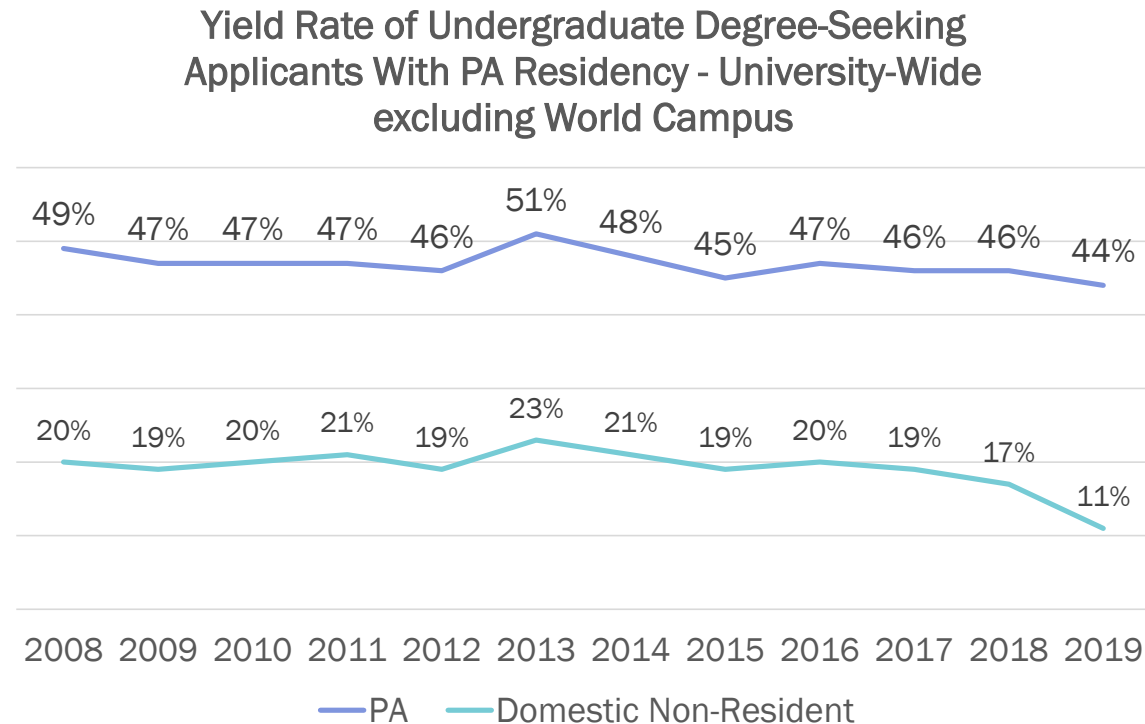
To learn more or make an inquiry, contact your admissions counselor or the admissions office at Penn State.



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# 1. Focus on Managing Yield

- Adoption of the Common App in 2018 resulted in 35% growth in applications—with the majority coming from out-of-state applicants.
- This led to a decline in yield rate.





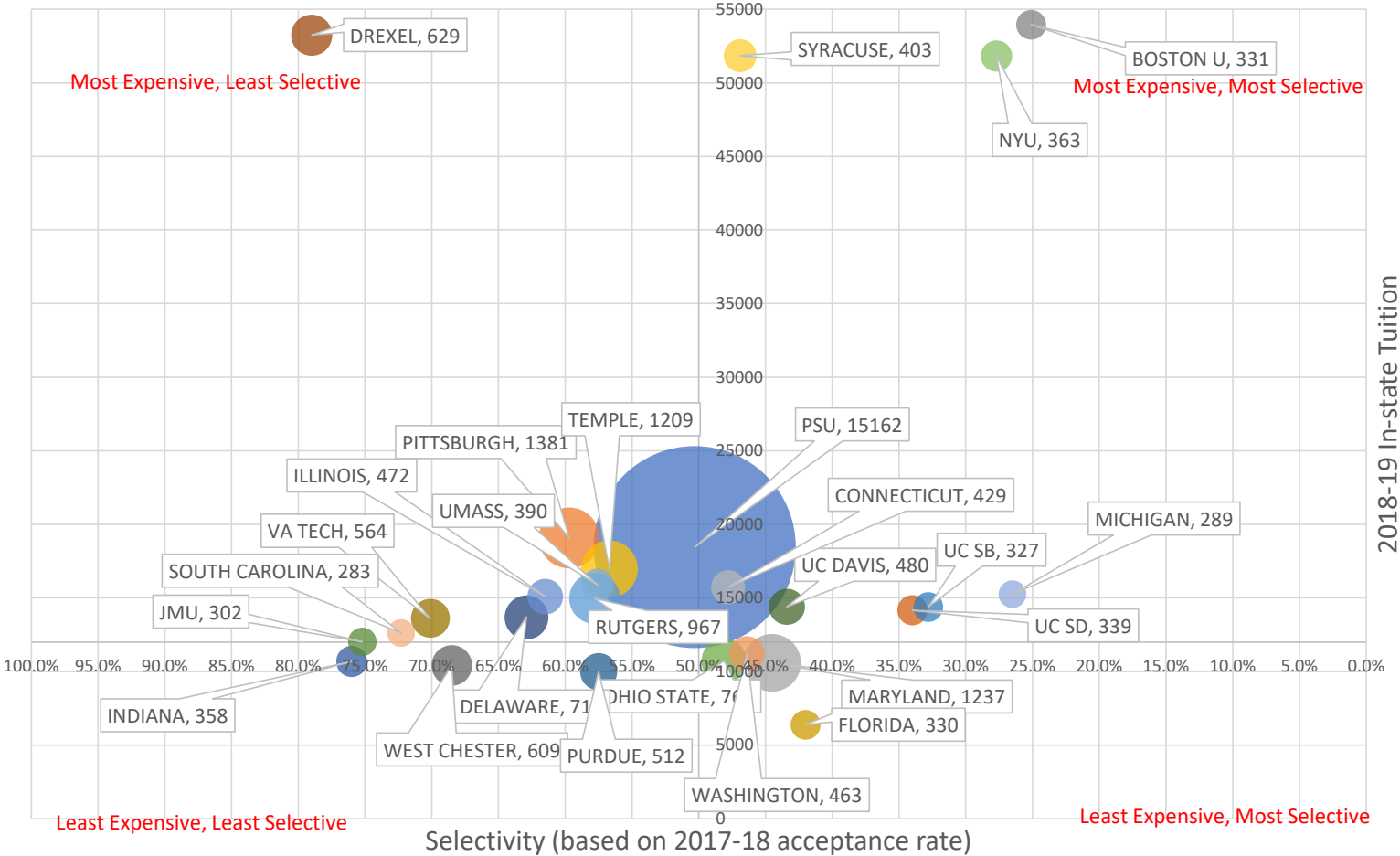
## 2. More Robust Accepted Student Programming

- Reexamining programs and events to increase yield in key markets (Conn., NYC, New Jersey, and DC metro area).
- Holding accepted student programs off campus in key recruitment zones and adding virtual accepted student programs.
- Encouraging alumni outreach to prospective students.
- Strengthening and enhancing on-campus events for accepted students (more tours, Saturday and holiday dates, targeted presentations).



# 3. Analysis of Competitive Landscape

Four-Year Institutions of Total Penn State Admits (Fall 2018)



Example: Resident states of students who chose the University of Illinois

PA	13
Illinois	98
Other States	115
International	246
Total	472

# Reducing Cost of Attendance Barriers

- Open Doors Programs.
- Shift Provost Awards at Commonwealth Campuses to focus on PA resident students.
- New Discover Penn State Awards
  - Replaces the *Out-of-State Border Grant-in-Aid Pilot*.
  - Implemented across all 19 Commonwealth Campuses.
  - Will be accompanied with best practice retention strategies, including academic advising and financial counseling initiatives.

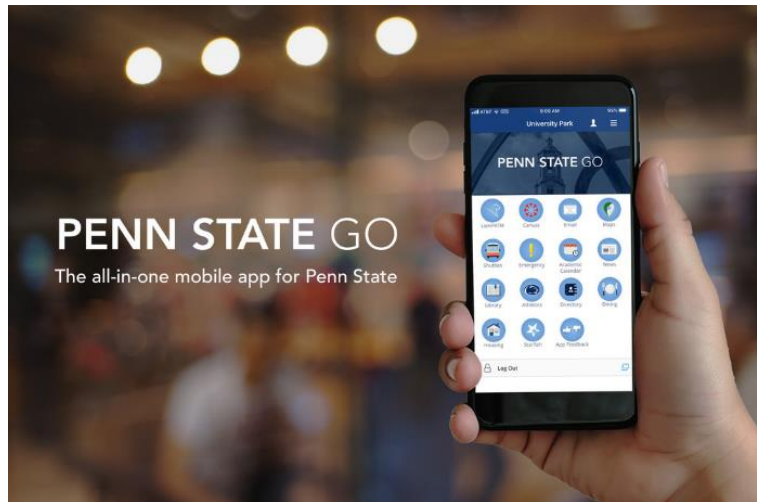


# Discover Penn State Implementation

Student Type	Penn State Years 1&2	Penn State Years 3&4	Total Value of Award
First-Year Associate	\$6,000 per academic year (\$3,000 per semester)	N/A, unless matriculate to four-year program, then eligible to keep award	\$12,000 two-year value (unless matriculate to four-year program)
First-Year Baccalaureate	\$6,000 per academic year (\$3,000 per semester)	\$7,000 per academic year (\$3,500 per semester)	\$26,000 four-year value
Transfer Student	\$6,500 per academic year (\$3,250 per semester)	\$6,500 for one academic year (\$3,250 per semester), if applicable based on timing of transfer	\$19,500 three-year value (maximum of three consecutive years on award)



# Focus on Retention



PennState

## Retention Efforts

- New Student Success Center in Office of Undergraduate Education.
- Membership in the American Talent Initiative and the APLU's Powered by Publics (goal is improving degree completion by underrepresented, lower income and first-generation students).
- Identification of courses that represent common roadblocks to students' progress and crafting ways to improve the outcomes (in collaboration with our Big Ten peer institutions).
- Continue to develop innovative student engagement initiatives.



# Student Engagement Boosts Retention

- Student Engagement Network is central to university-wide focus on taking learning from the classroom to the world.
- Penn State students spend approximately 3.9M hours annually engaged in community service and volunteer activities.
- 500+ students awarded grants; \$600,000+ in funding.
- Connects faculty and staff to the scholarship of engagement.
- Dedicated effort across colleges to encourage meaningful internship experiences.



## Additional Retention Efforts

- Improvements in academic advising (includes adoption of the Starfish enterprise-wide advising platform and implementation of Starfish analytics).
- Open Doors programs and Financial Literacy Programming.
- Establishment of a University-wide Student Success Coalition to focus on student retention.
- Penn State GO App will enhance students' ability to connect efficiently with various university support services.





# Focus on Excellence and Student Success



PennState

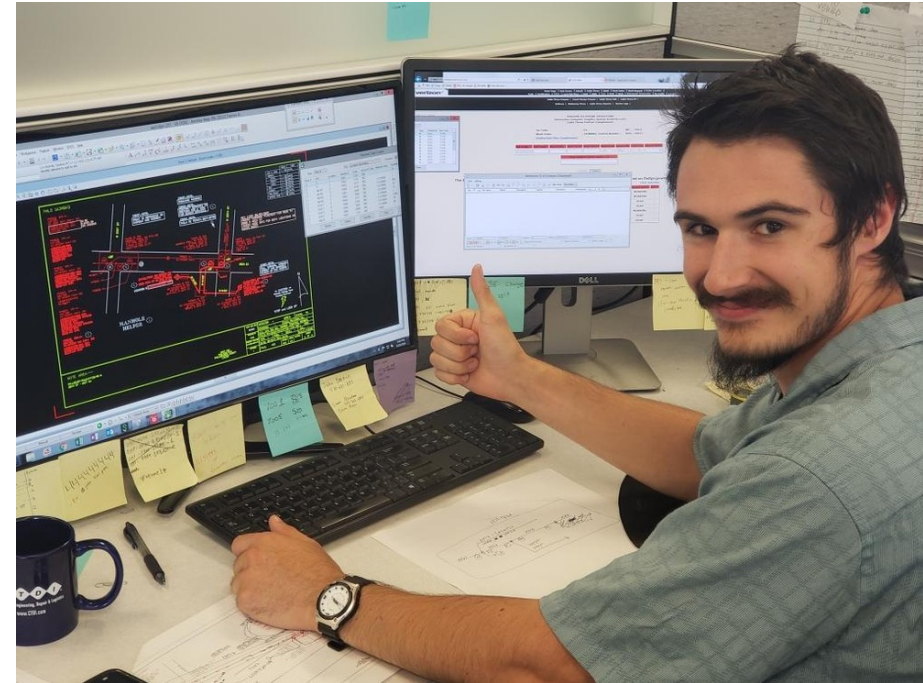
# Measures of Excellence Drive Enrollment

- Quality of Faculty and Research
- Student Enrollment and Career Success
- Reputational Measures—Quality Indicators
- Institutional Financial Health and Stability
- Alumni Networking and Engagement
- Philanthropy and Support



# Summary of Demographic Challenges

- Declining high school population.
- Declining numbers of college bound students.
- Socioeconomic and racial mix is changing, with growth in first in family and minority populations: African American, Asian, and Hispanic.



## Looking Ahead...

- We must compete on quality and outcomes.
- Changes in demographics indicate we must be more competitive in need-based aid.
- It's more cost effective to retain students than to recruit new ones.

