

MINUTES OF MEETING

BOARD OF TRUSTEES

VOLUME 313

September 13, 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 September 13, 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, Kleppinger, Lubert, Masser, Oldsey, Paterno, Pope, Potts, Redding, 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, Seymour, and Williams; student representatives Gatten, Godbey, Griggs, Kelling, McKinney, Tierney, Near, and Walsh; representatives Bechtel-Wherry, Belkowski and Houston; and staff members Barbour, Bieschke, 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 acknowledged the start of the academic year, noting the recent New Student Convocation and reinforcement of Penn State's message of diversity and inclusion with the "You Are Welcome Here" theme. He also noted the groundbreaking for one of three solar farms to be built by Lightsource BP; Penn State will purchase the electricity generated by the farms for the next 25 years, saving the University at least 14 million dollars and meeting 25% of the University's state-wide electric needs.

Chair Dambly then introduced two students who were invited to speak about their experiences with access and affordability at Penn State. Sara Detrick spoke about her experience with Penn State's PASSS program, which has enabled her to complete her degree in three and a half years; she will graduate this December. Taylor Machuga spoke about her experience with the Complete Penn State program, which provides resources for students in their final two semesters of study who have experienced life situations which negatively impact their ability to complete their degree; Taylor will also graduate in December 2019. Finally, Tom Sharbaugh, professor of practice at Penn State Law, Director of the University's Entrepreneurship Assistance Clinic, and Chair of the President's Club, spoke about his work with the Sokolov-Miller Family Financial and Life Skills Center, which provides training and mentorship for students to gain the skills needed to manage their financial resources effectively.

He recognized the 2019-2020 Academic Leadership Council chair, Lori Bechtel-Wherry, Chancellor of Penn State Altoona; Lora Weiss, the new Senior Vice President for Research; Penn State's new Chief Investment Officer, Joe Cullen; and 2019-2020 Administrative Fellows Gary Chinn, Lisa Kerchinski, and Debra Thurley. Finally, he recognized those Emeriti Trustee Members in attendance: Clemens, Coppersmith, Huber, Jones, McCombie, Metzgar, Myers, Riley, Shaffer, Strumpf, and Wise.

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

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. Consent Action Item G was selected to be considered separately. The Committee on Finance, Business and Capital Planning recommended that the Board of Trustees approve resolutions C-E. The Committee on Governance and Long-Range Planning

recommended that the Board of Trustees approve resolutions F and G. A motion to approve each of the following Consent Agenda Action Items, A-F, was seconded and approved by the Board. A motion to approve Consent Agenda Action Item G, was seconded and approved by the Board; it is noted that Trustee Han abstained from voting on Item G:

A. Approval of the *Minutes* of the meetings of the Board held on July 18, 2019.

B. Proposed Election of Directors of The Corporation for Penn State

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

Eric J. Barron	Ira M. Lubert
Kathleen L. Casey	Keith E. Masser
Mark H. Dambly	William F. Oldsey
David J. Gray	Matthew W. Schuyler
Frank T. Guadagnino	Robert J. Tribeck
Nicholas P. Jones	

C. Proposed Naming of the Student Union "The Charles H. Booth, Jr. Student Union," Penn State New Kensington

RESOLVED, That the Student Union at Penn State New Kensington is named "The Charles H. Booth, Jr. Student Union."

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

RESOLVED, That Carmen J. Gigliotti and Colleen Ostrowski, non-University employees, are appointed to the Penn State Investment Council for terms ending in 2022.

E. Proposed Appointment of an Architect, PACU Renovation, Penn State Health Milton S. Hershey Medical Center

RESOLVED, That BDA Architects of Clarks Summit, Pennsylvania, is ratified and confirmed as the architect of record for the final plans for the Post-Anesthesia Care Unit (PACU) Renovations, Penn State Health Milton S. Hershey Medical Center.

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

RESOLVED, That Richard K. Dandrea, Keith W. Masser and William F. Oldsey be elected as at-large members to the Executive Committee of the Board of Trustees.

G. Proposed Appointment of Directors for Penn State Health Board

RESOLVED, That Dr. Kevin P. Black and Dr. David C. Han are hereby appointed as members of the Board of Directors of Penn State Health effective upon the date of this Resolution and expiring June 30, 2020.

Action Items – Other

A. Consideration of Request for 2020-2021 Appropriation for Operations

President Barron provided supporting remarks and context for the request. A motion to approve the following resolution was seconded and approved by the Board.

RESOLVED, That the Officers of the University are authorized to submit to the Legislature, appropriate departments, and offices of the Commonwealth of Pennsylvania, a State Appropriation Request for fiscal year 2020-2021 in the amount of \$359,774,000.

B. Proposed Final Plan Approval and Authorization to Expend Funds, Animal, Veterinary, and Biomedical Sciences Building, University Park

David Gray, Senior Vice President for Finance and Business/Treasurer, provided remarks and context for this item. Following discussion, a motion to approve the following resolutions was seconded and approved by the Board.

RESOLVED, That the final plans for the Animal, Veterinary, and Biomedical Sciences Building at University Park, as designed by the firm of HOK of New York City, New York, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds and award contracts to accomplish the project be approved at a cost of \$98,500,000.

C. Proposed Final Plan Approval and Authorization to Expend Funds, Willard Building Renovation and Addition, University Park

David Gray provided 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 Willard Building Renovation and Addition at University Park, as designed by Studios Architecture of Washington, D.C., are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of \$48,000,000.

D. Proposed Approval of Graduate Apartment Rates

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

RESOLVED, That the monthly lease rates for graduate apartments at University Park 2020-21 be increased as shown below, as part of this resolution.

Recommended Monthly Graduate Apartment 2020/21 Rates				
	2019/20 Rate	2020/21 Proposed Rate	Amount of Increase	Increase Percentage
1 Bedroom	\$1,145	\$1,168	\$23	2.01%
2 Bedroom	\$1,295	\$1,321	\$26	2.01%
3 Bedroom	\$1,430	\$1,459	\$29	2.03%
3 Bedroom w 1.5 baths	\$1,445	\$1,474	\$29	2.01%
Quad Apartment (per person)	\$920	\$938	\$18	1.96%

E. Proposed Amendment to Authorization for Penn State Health to incur Debt as a Separate Obligated Group

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

WHEREAS, Lot 4 of the East Campus contains land as well as improvements, including a 155,264 square foot improvement constructed in 2000 known as the Academic Support Building which houses critical academic support offices in service to both the College of Medicine and the Penn State Health Milton S. Hershey Medical Center, associated parking lots and storm water facilities (with such building, parking lots, stormwater facilities and related land being referred to as the "ASB Parcel").

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

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

F. Presidential Compensation

Trustee Casey, chair of the Board's Committee on Compensation, reported the committee's support of the resolution and provided remarks and context for this item. A motion to approve the following resolutions was seconded and approved by the Board.

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

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

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

Informational Report on the Penn State Alumni Association

Paul Clifford, Chief Executive Officer, provided an informational update on the association's impact during the past year. He shared confirmation of the strength of the alumni network; the *We Are Weekend* initiative held in June; the work of the association's volunteer groups and its affiliate group endowments; the *City Lights* program; student-centric programs including the *Fast Start* program which provides mentorship to underrepresented students during their first year; the collaboration with the University of Kentucky to promote the *Clean the World* foundation; the Alumni Fellow program; and finally, reported that preparations are underway for Homecoming events in early October.

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

President's Report and Discussion

President Barron delivered a report on *Managing Student Debt*. He outlined the keys to managing student debt at Penn State are: 1) controlling the cost of attendance; 2) financial literacy; 3) ensuring graduation; and 4) promoting career success. He provided an overview of student debt nationally, before focusing on Penn State students' average loan debt, default rates, and who is borrowing. He spent the remainder of his presentation covering targeted solutions to help students manage debt. He also covered Penn State's career services division, and how that impacts our students' ability to secure a job.

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

[Appendix I]

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 2:09 p.m. The meeting is available in its entirety at <https://youtu.be/ZWTcZwwqAs>

Respectfully submitted,

Frank T. Guadagnino
Secretary, Board of Trustees