



**THE PENNSYLVANIA STATE UNIVERSITY  
BOARD OF TRUSTEES  
PUBLIC MEETING – FEBRUARY 21, 2020  
1:00 p.m.  
DEAN’S HALL, PENN STATER CONFERENCE CENTER HOTEL**

**1. Chair Welcome/Remarks**

**2. Call to Order**

**3. Consent Agenda Action Items [attached]**

- a) Approval of *Minutes* from Previous Meeting
- b) Proposed 2021 Dates for Meetings of the Board of Trustees

**Finance, Business and Capital Planning:**

- c) Proposed Naming of the Guion S. Bluford Building at Innovation Park
- d) Proposed Renaming of the Centre County/Penn State Visitor Center at University Park “Centre County Visitor Center”
- e) Proposed Appointment of Non-University Employees to the Penn State Investment Council

**Audit and Risk:**

- f) Proposed Authorization to Engage Auditors

**4. Other Action Items [attached]**

- a) Proposed Final Plan Approval and Authorization to Expend Funds, East Halls Renovation – Phase 2B, University Park
- b) Proposed Final Plan Approval and Authorization to Expend Funds, Ostermayer Laboratory Renovation, Penn State Greater Allegheny
- c) Proposed Final Plan Approval and Authorization to Expend Funds, Beaver Community Center Expansion, Penn State Berks
- d) Proposed Final Plan Approval and Authorization to Expend Funds, Lehigh Valley Expansion, Penn State Lehigh Valley
- e) Changes in Room and Board Charges for 2020-21 Academic Year

**Legal and Compliance:**

- f) Proposed Annual Applications, Renewals, and other Filings Required by the Pennsylvania Liquor Control Board

**5. President’s Report and Discussion:**

*How Technology Trends Are Shaping Higher Education and Penn State*

**6. Closing Remarks/Announcements**

## 2/21/2020 Consent Agenda Action Items

a) **Approval of Minutes from November 15, 2019 Meeting**

b) **Proposed 2021 Dates for Meetings of the Board of Trustees**

Will the Board of Trustees approve the proposed meeting dates for 2021 as follows (unless otherwise noted, all meetings will be held at University Park). July 2021 meeting will include a professional development retreat.

February 18-19, 2021	(Thursday-Friday)
May 6-7, 2021	(Thursday-Friday)
July 14-16, 2021	(Wednesday-Friday) – Penn State Behrend
September 16-17, 2021	(Thursday-Friday)
November 11-12, 2021	(Thursday-Friday)

c) **Proposed Naming of the Guion S. Bluford Building at Innovation Park**

Dr. Guion (“Guy”) Bluford, Jr. is internationally renowned for his contributions to aerospace engineering spanning more than 50 years. Dr. Bluford began his career in the US Air Force, where he received his pilot wings soon after graduating from Penn State in 1964 with a B.S. in Aerospace Engineering. He flew 144 combat missions, 65 over North Vietnam. He attended the U.S. Air Force Institute of Technology (AFIT), receiving a Master of Science degree in Aerospace Engineering in 1974, and a Doctor of Philosophy in Aerospace Engineering with a minor in Laser Physics in 1978. He then emerged as a leading researcher in the Air Force Research Laboratory at Wright-Patterson Air Force Base, publishing scientific papers in computational fluid dynamics, advancing to become deputy for advanced concepts for the Aeromechanics Division, and as branch chief of the Aerodynamics and Airframe Branch.

Dr. Bluford was selected as a NASA astronaut in 1979, becoming the first African-American in space with his first launch in STS-8 in 1983. He later flew on three more space shuttle missions and logged over 688 hours in space.

Upon his retirement from NASA in 1993, Dr. Bluford transitioned to industry positions, which included Vice President of the Aerospace Sector of the Federal Data Corporation, Vice President of Microgravity Research and Development and Operations for Northrup Grumman, and finally President of Aerospace Technology Inc.

Dr. Bluford served in an advisory capacity to NASA’s aeronautics research and space flight. He served on the National Research Council’s Aeronautics and Space Engineering Board from 1993 to 1998. In addition, he served as Director of the National Inventor’s Hall of Fame Foundation from 1997 to 2002, Director of the American Institute of Aeronautics and Astronautics Board from 1995 to 2001, Director of the U.S. Space Foundation from 2000 to 2006, and Director of the Aerospace Corporation Board (the federally funded research and development center focused on spaceflight) from 1999 to 2008. Lastly, he served as the Executive Director of the Investigative Activities for the Columbia Accident Investigation Board in 2003.

Even prior to his selection as a NASA Astronaut at the age of 37, Dr. Bluford’s contributions to aerospace engineering were recognized with commendations including the National Society of Black Engineers Distinguished National Scientist Award, the Mervin E. Gross Award for exceptional academic achievement, and numerous military awards and decorations for his service in the Vietnam War. Subsequently, he has received multiple awards corresponding to his service as a NASA astronaut and 14 honorary doctorates for his public service work as a leader in Aerospace Engineering.

## 2/21/2020 Consent Agenda Action Items

Dr. Bluford has been a role model and advisor for many of the nation's aerospace engineers, passionately inspiring those from underrepresented groups both at Penn State and nationally through activities with the Society of Distinguished Alumni and two decades of service on the Committee on Minority Activities. He remains engaged with the Penn State Department of Aerospace Engineering, visiting annually to provide outreach to underrepresented groups.

The University will make a lasting commitment to Dr. Bluford's legacy with the naming of the 230 Building at Innovation Park in his honor. This building will serve as a living symbol of his contributions across many disciplines but especially to his innovation in the development of space systems technology. The naming of this building recognizes Dr. Bluford's historical significance and signifies Penn State's commitment to excellence in space systems across many domains including aerospace engineering, systems design, and astrophysics, and active commitment to mentoring, equity, and inclusion.

The Facilities Naming Committee has recommended that the Board of Trustees name the building at 230 Innovation Park the Guion S. Bluford Building, in honor of Dr. Guion ("Guy") S. Bluford, Jr.

Will the Board of Trustees adopt the following resolution:

RESOLVED, That the 230 Building at Innovation Park be named the Guion S. Bluford Building."

d) **Proposed Renaming of the Centre County/Penn State Visitor Center at University Park "Centre County Visitor Center"**

The Facilities and Academic Unit Naming Committee has recommended that the Board of Trustees rename the Centre County/Penn State Visitor Center at University Park the "Centre County Visitor Center."

Will the Board of Trustees adopt the following resolution:

RESOLVED, That the Centre County/Penn State Visitor Center at University Park be renamed "Centre County Visitor Center."

e) **Proposed Appointment of Non-University Employees to the Penn State Investment Council**

In September 2000, Penn State's Board of Trustees established the Penn State Investment Council to provide direct oversight of the University's endowment and long-term investment program. The Penn State Investment Council, appointed by the Board of Trustees, includes the: Senior Vice President for Finance and Business/Treasurer of the University (Chair); Chief Executive Officer, Office of Investment Management; and five to nine non-University members (at least one of whom is a voting or emeriti member of the Board of Trustees). The terms are staggered as follows:

### 2020

**J. Alex Hartzler**, Managing Partner and Founder, WCI Partners, L.P. (Harrisburg, PA)

**J. David Rogers**, Chief Executive Officer, JD Capital Management (Greenwich, CT)

### 2021

**Blake Gall**, President, MicroPlusPlus Investment Management (Boalsburg, PA)

**Edward R. Hintz, Jr.**, President, Hintz Capital Management, Inc. (Morristown, NJ)

**Joseph B. Markovich**, Managing Director, J.P. Morgan Private Bank (New York, NY)

**2/21/2020 Consent Agenda Action Items**

**2022**

**Carmen J. Gigliotti**, Managing Director (Retired), Private Equities, DuPont Capital Management (Wilmington, DE)

**Colleen Ostrowski**, Senior Vice President and Treasurer, Visa (San Francisco, CA)

It is proposed to appoint James Brandau, a non-University employee, to a three-year term expiring in 2022. Mr. Brandau is Senior Vice President at Brown Brothers Harriman & Co. in Philadelphia. He received a B.S. in Finance from Penn State and an MBA from the Kenan-Flagler Business School at the University of North Carolina at Chapel Hill. Mr. Brandau is a member of the Penn State Smeal College of Business Board of Visitors, the Nittany Lion Fund, LLC, and the Penn State University Capital Campaign Committee.

Will the Board of Trustees adopt the following resolution:

RESOLVED, That James Brandau, non-University employee, is appointed to the Penn State Investment Council for a term ending in 2022.

**f) Proposed Authorization to Engage Auditors**

Will the Board of Trustees adopt the following resolution:

RESOLVED, That the Officers of the University are authorized to engage Deloitte & Touche LLP, Certified Public Accountants, for the audit of the accounts of the University for the year ending June 30, 2020.

**2/22/2020 Other Action Items**

a) **Proposed Final Plan Approval and Authorization to Expend Funds, East Halls Renovation – Phase 2B, University Park**

East Halls Renovation – Phase 2B is part of the overall renovations and improvements planned for the entire East Halls complex. The project includes the renovations of Bigler, Curtin, and Packer Halls, and associated site and utility work.

The combined regular bed count in the three buildings will be decreased by 3 for a new total of 782. Most beds will remain in double rooms. Building updates include renovations to improve social spaces, the replacement of aging and inefficient building systems, renovation of the building envelope, improvements to the building's appearance, and ADA accessibility improvements. All three halls will be connected to the campus chilled water system for air conditioning.

Site work will include parking changes, accessible pedestrian circulation and landscaping. Utility improvements will also be made.

Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the final plans for the East Halls Renovation – Phase 2B at University Park, as designed by Clayco of St. Louis, Missouri, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of \$82,500,000.

b) **Proposed Final Plan Approval and Authorization to Expend Funds, Ostermayer Laboratory Renovation, Penn State Greater Allegheny**

The existing 22,000 square foot Ostermayer Lab Building was built in 1973 and houses labs and support spaces, a general classroom and faculty offices. The goals of this renovation project are to address badly-needed facility maintenance, modernize teaching spaces, support evolving education pedagogies, improve classroom and collaboration spaces, and add an enhanced entrance and lobby space. Aging and inefficient building systems will be renewed.

Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the final plans for the Ostermayer Laboratory Renovation, as designed by Turner Construction Company of Pittsburgh, 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 \$14,700,000.

c) **Proposed Final Plan Approval and Authorization to Expend Funds, Beaver Community Center Expansion, Penn State Berks**

Constructed in 1980, the 28,000 square foot Beaver Community Center serves as the Penn State Berks indoor facility for athletic programs, kinesiology instruction, physical activity courses, intramural programs, general recreational activities and special events. Minor renovations over the years have attempted to accommodate the growth of programs and student population.

The intent of this project is to fully address the dire maintenance needs and significant space shortfalls to support current programs.

## 2/22/2020 Other Action Items

Kinesiology is the second largest major at Berks with strong growth projection. This project will provide the kinesiology program with the best available space, equipment, and environment to enhance the learning experience, attract new students and position students for successful careers. The new spaces will also support the recently-approved NCAA Division III sport programs. Building infrastructure systems, including site utilities, will be improved and, per the campus master plan, the Beaver Community Center will be connected to the Perkins Student Center. The project design includes space for an auxiliary gym, fitness center, locker rooms, kinesiology program space, athletic offices, and a convenience store. A portion of the existing building will also be renovated to include two classrooms, athletic support spaces, and a mechanical/electrical service room. The completed project will expand the Beaver Community Center to 77,000 square feet.

Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the final plans for the Beaver Community Center at Penn State Berks, as designed by Atkin Olshin Schade Architects of Philadelphia, Pennsylvania, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of \$30,400,000.

d) **Proposed Final Plan Approval and Authorization to Expend Funds, Lehigh Valley Expansion, Penn State Lehigh Valley**

Based on a 2014 consultant's report to optimize operational efficiency and effectiveness, the space per student at Lehigh Valley campus is the lowest in its peer group, and enrollment is on an increasing trend. An increase in square footage was recommended.

A three-story, 20,500 square foot addition has been designed to include an organic chemistry lab and classroom, a full-service kitchen, and collaborative student gathering and support spaces.

The new organic chemistry lab will create a critical academic space aligned with Penn State Lehigh Valley's academic degree programming, particularly Bio-Behavioral Health. The new lab will also benefit economic development in the regional service area by allowing the campus to grow a necessary educational pipeline for health professionals (including pre-med and medical school students), thereby responding to existing local workforce demands and critical gaps in the health care talent supply. The third floor will also include faculty offices, a classroom and tutoring space.

As a commuter campus, the building was not originally designed with student gathering spaces. The existing café and kitchen are inadequate in size, the vendor is limited by lack of equipment and currently has to deliver food daily to the site from their restaurant seven miles away. This limits the types of food they can supply, including healthy and allergy-friendly options.

Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the final plans for the Lehigh Valley Expansion at Penn State Lehigh Valley, as designed by Spillman Farmer Architects of Bethlehem, Pennsylvania, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of \$14,400,000.

e) **Changes in Room and Board Charges for 2020-21 Academic Year**

It will be necessary to increase room and board charges effective with the 2020 Fall Semester due to increased operating and facility maintenance costs.

Appendix I provides details of the Housing and Food Service Budget Presentation for 2020-21, as well as the proposed rates at University Manor, Penn State Health Milton S. Hershey Medical Center.

Will the Board of Trustees adopt the following resolution:

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

(See Appendix I)

f) **Proposed Annual Applications, Renewals, and other Filings Required by the Pennsylvania Liquor Control Board**

The Pennsylvania State University holds licenses and permits through the Pennsylvania Liquor Control Board (PLCB) for the following purposes, venues, and properties, as previously approved by the Board of Trustees:

- The Nittany Lion Inn – Liquor License, Off-Premises Catering Permit, Wine Bottle Sales, Liquor Permit for Sunday Sales and Amusement Permit
- Wine Auction Permits in connection with fundraising activities of WPSU, the Palmer Museum of Art, and such other academic or administrative units as may be approved by the Senior Vice President for Finance and Business/Treasurer, in consultation with the Vice President for Development and Alumni Relations
- Bryce Jordan Center – Public Venue Liquor License
- Beaver Stadium – Public Venue Liquor License
- Recreation Hall – Public Venue Liquor License
- Pegula Ice Arena – Public Venue Liquor License
- Medlar Field at Lubrano Park – Public Venue Liquor License
- Penn State Golf Courses – Public Venue Liquor License

Each license or permit requires either an application process, a biennial application renewal process, or an annual validation process.

Will the Board of Trustees adopt the following resolutions:

WHEREAS, The Pennsylvania Liquor Code authorizes the Pennsylvania Liquor Control Board to issue various licenses and permits related to the sale and service of alcoholic beverages, subject to a well-defined set of regulations; and

WHEREAS, It is the desire of The Pennsylvania State University to sell and serve alcoholic beverages under the conditions previously approved by the Board of Trustees; and

WHEREAS, It is the desire of The Pennsylvania State University to file appropriate applications for licensures and permits either through an application processes, biennial application renewal processes, or a validation process, as applicable; and

**2/22/2020 Other Action Items**

THEREFORE BE IT RESOLVED, That David J. Gray, Senior Vice President for Finance and Business/Treasurer and/or Joseph J. Doncsecz, Corporate Controller, or any appropriate designee(s), is/are authorized to execute applications, renewal forms, and any other documents or instruments required by the Pennsylvania Liquor Control Board, and to take such other actions as may be required in connection with any such applications, renewals or validations; and

RESOLVED FURTHER, That material changes to the terms and conditions previously approved by the Board of Trustees with respect to such licenses and permits shall be submitted to the Board of Trustees for its consideration and approval.



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

<b>Room Description</b>	<b>Number of Occupants</b>	<b>2019/20 Current Rate</b>	<b>2020/21 Proposed Operating Increase</b>	<b>2020/21 Proposed Capital Assessment</b>	<b>2020/21 Proposed Rate</b>	<b>2020/21 Proposed Increase</b>
Standard Double	2	\$3,277	\$84	\$66	\$3,427	\$150
Standard Double/Bath	2	3,455	90	69	3,614	159
Renovated Double	2	3,628	127	73	3,828	200
Small Double	2	2,455	64	49	2,568	113
Triple	3	2,950	77	59	3,086	136
Triple/Bath	3	3,280	81	66	3,427	147
Quad	4	2,950	77	59	3,086	136
Quad/Bath	4	3,280	81	66	3,427	147
Quad as Triple	3	3,280	81	66	3,427	147
Standard Single	1	4,460	116	89	4,665	205
Standard Single/Bath	1	4,550	119	91	4,760	210
Renovated Single	1	4,550	163	92	4,805	255
Eastview Single/Bath	1	5,540	144	111	5,795	255
Eastview Large Single/Bath	1	5,945	156	119	6,220	275
RA Rate	1	2,050	64	41	2,155	105
Standard Double Suite	2	3,875	102	78	4,055	180
Standard Double Suite as Triple	3	3,280	81	66	3,427	147
Standard Single Suite, 1/bedroom	4	4,520	120	90	4,730	210
Double Suite	2	4,160	107	83	4,350	190
Single Suite	1	5,415	142	108	5,665	250
<b>University Park, Nittany Apartment</b>						
<i>Rate/Person/Semester*</i>						
2 Bedroom Garden	4	3,975	105	80	4,160	185
4 Bedroom Garden	4	4,460	116	89	4,665	205
4 Bedroom Townhouse	4	4,630	122	93	4,845	215
<b>Erie, Behrend Apartment</b>						
<i>Rate/Person/Semester*</i>						
2 Bedroom Garden	4	3,975	105	80	4,160	185
<b>Harrisburg &amp; Abington Apartment</b>						
<i>Rate/Person/Semester*</i>						
Apartments-Bedroom Single	4	4,785	169	96	5,050	265
Apartments-Bedroom Double	6	4,210	146	84	4,440	230
Apartments-Bedroom Triple	9	3,790	134	76	4,000	210
<b>Beaver, Greater Allegheny, Hazleton, &amp; Mont Alto</b>						
Standard Double	2	3,090	0	60	3,150	60
Standard Double Suite	2	3,650	0	75	3,725	75
Townhouse Double	2	3,255	0	65	3,320	65

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

**Approved University Park Graduate Apartment Rates**

2020/21 Rates approved by the Board of Trustees in September 2019

<b>Room Description</b>	<b>2019/20 Rate</b>	<b>2020/21 Rate</b>
<b>University Park, Graduate Family Apartment</b>		
<i>Rate/Month*</i>		
White Course 1 Bedroom	\$1,145	\$1,168
White Course 2 Bedroom	1,295	1,321
White Course 3 Bedroom	1,430	1,459
White Course 3 Bedroom w/2 Bath	1,445	1,474
<b>University Park, Graduate Apartment</b>		
<i>Rate/Person/Month*</i>		
White Course 4 Bedroom	\$920	\$938

*\*Apartment rate includes utilities*

**Proposed Board Plan  
Rates/Semester**

<b>Meal Plan</b>	<b>2019/20 Current Rate</b>	<b>2020/21 Proposed Rate</b>	<b>2020/21 Proposed Increase</b>	<b>2020/21 Dining Dollars</b>
<b>Plan 1</b>	\$2,070	\$2,100	\$30	\$655
<b>Plan 2</b>	2,399	2,449	50	1,004
<b>Plan 3</b>	2,665	2,732	67	1,287

**History of Double Room and Mid-Level Meal Plan Rates 2011 through 2021**

<b>Year</b>	<b>Semester Rate</b>	<b>Semester Increase</b>	<b>Percent Increase</b>
<b>2020/21</b>	\$5,876	\$200	3.52%
<b>2019/20</b>	5,676	146	2.64%
<b>2018/19</b>	5,530	135	2.50%
<b>2017/18</b>	5,395	165	3.15%
<b>2016/17</b>	5,230	155	3.05%
<b>2015/16</b>	5,075	190	3.89%
<b>2014/15</b>	4,885	200	4.27%
<b>2013/14</b>	4,685	190	4.23%
<b>2012/13</b>	4,495	125	2.86%
<b>2011/12</b>	4,370	185	4.42%
<b>2010/11</b>	4,185	100	2.45%

## UNIVERSITY MANOR APARTMENTS

## CURRENT vs. PROPOSED MONTHLY RENTAL RATES

<u>Type Occupancy</u>	<u>No. Units</u>	<u>Current Rates Per Apt.</u>	<u>Proposed Rates Per Apt.</u>	<u>Amount Increase</u>
<b>University Manor East</b>				
1 Bedroom (with Washer/Dryer)	24	\$ 985	\$ 995	\$ 10
2 Bedroom (with Washer/Dryer)	208	\$ 1,172	\$ 1,190	\$ 18
3 Bedroom (with Washer/Dryer)	16	\$ 1,320	\$ 1,340	\$ 20
<b>University Manor West</b>				
4 Bedroom (furnished) *	31	\$ 2,352	\$ 2,420	\$ 68

\* NOTE: Proposed monthly increase per bedroom is \$ 17.

## MONTHLY RENTAL RATE COMPARISON

## UNIVERSITY MANOR vs. PRIVATE APARTMENT COMPLEXES

The rental rates that follow are the proposed University Manor rental rates as compared to the current rates for private apartment complexes in the Hershey area. The average private rental rate has been adjusted to include utility expenses where none previously existed in the rental rate. This then provides an “apples-to-apples” rate comparison.

The average difference between the proposed University Manor rates and the current private apartment rates are:

DIFFERENCES BETWEEN UNIVERSITY MANOR  
AND PRIVATE APARTMENT RENTAL RATES

	<u>Average Private Rates</u>	<u>University Manor Proposed Rates</u>	<u>Difference</u>
1 Bedroom	\$ 1,100	\$ 995	\$ 105
2 Bedroom	\$ 1,251	\$ 1,190	\$ 61
3 Bedroom	\$ 1,437	\$ 1,340	\$ 97
4 Bedroom	\$ 3,120	\$ 2,420	\$ 700

All University Manor Apartments have air-conditioning, modern kitchen appliances, wall-to-wall carpeting, draperies/mini-blinds, and washers/dryers (only applies to UME). All utilities are included except Cable TV and long-distance telephone service. Additionally, high-speed wired and wireless Internet service is provided in all University Manor East and West apartments. A fire detection/suppression sprinkler system installation project in University Manor East was completed in July 2007. University Manor West apartment fire detection/suppression sprinkler system installation was completed in August 2011.

# 2020/2021

## Room and Board Rate Proposal Housing and Food Services

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



## Budget Planning Factors for 2020/21

Housing and Food Services is a self-supporting auxiliary enterprise. As such, monies paid by students and guests for food and lodging are the only funds available to pay all operating expenses, building loans, and interest payments as well as costs for major maintenance and facility renewal. Neither state funds nor tuition dollars are used for construction, maintenance of facilities, or the operations of the housing and dining program.

Housing and Food Services is committed to the goals of providing quality living experiences for students in well maintained facilities while adhering to the financial plan to minimize increases to student expenses.

The need to renovate aging facilities led to the adoption of a fifteen-year residential capital renewal plan which included renovations to the East and Pollock residence halls at University Park. Over the past eight years, three new residence halls have been constructed. Re-opening this fall will be Sproul and Geary halls, completing the renovations to 79% of the bed spaces in East Halls.

### EXPENSES

#### Payroll and Related

The financial plan for 2020/21 provides for an increase of 2.50 percent for salaries at the recommendation of the University Budget Office. The fringe benefit rate is budgeted to increase by 4.33 percent.

#### Food Costs

Food costs for 2020/21 are estimated to increase 2.00 percent based on review of our key purchases and the outlook for those price changes. Cost containment initiatives have been undertaken, including inventory turnover and the reduction of food waste. Purchasing power is leveraged by combining food procurement with other Auxiliary and Business Services' units including The Nittany Lion Inn, The Penn Stater and the Bryce Jordan Center.

#### Utilities and Other Operating Expenses

The utility budget is estimated to increase by approximately one percent. As renovated buildings come online in East Halls, utility consumption will be monitored to determine benefit from energy saving construction.

#### Residence Life

The fee for services provided by the Office of Residence Life will increase by \$14, or 3.95 percent, to \$368 per student per semester to cover increases in operating costs, anticipated salary increases, and room and board changes for resident assistants at all campuses.

### OVERHEAD EXPENSES

#### University Administrative Fee

Housing and Food Services pays for central administrative services as a percentage of gross revenue, exclusive of the capital assessment. This rate is expected to remain at 5.0 percent for 2020/21.

**Deferred Maintenance and Facility Renewal**

The budget provides \$27,288,000 for facility renewal, deferred maintenance, and emergency reserves. Annual maintenance includes items such as roof replacement, plumbing repair, elevator maintenance, furniture, painting, equipment, and technology and security upgrades.

**Capital Assessment**

Housing and Food Services will enter the eighth year of the residential capital renewal plan. The Board of Trustees approved the multi-year capital assessment which is applied to all room rates for a ten-year period. For 2020/21, the assessment will remain at 2.0 percent, and will generate an additional \$2,754,000 to support the capital plan.

**Debt Service**

Sproul and Geary residence halls will re-open for Fall 2020, increasing annual debt service by \$3,842,000 to \$51,260,000.

**INCOME**

The proposed rate increases will generate \$4,769,000 to maintain progress with our capital plan, support the University's initiatives on affordability, and maintain operations. The room and board rate for a student living in a standard double room, and choosing the mid-level meal plan, will increase in 2020/21 by 3.52 percent over the prior year.



## Expense Increases for 2020/21

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

	2019/20 Approved Budget	2020/21 Proposed Budget	2020/21 Increase	2020/21 % Change
Revenue	\$252,786,000	\$257,555,000	\$4,769,000	1.89%
Food	28,483,000	29,050,000	567,000	1.99%
Payroll and Related	58,969,000	61,198,000	2,229,000	3.78%
Utilities	17,991,000	18,135,000	144,000	0.80%
Maintenance, Supplies, Services	26,236,000	26,573,000	337,000	1.28%
Residence Life Programming	13,562,000	13,997,000	435,000	3.21%
<b>Subtotal</b>	<b>\$145,241,000</b>	<b>\$148,953,000</b>	<b>\$3,712,000</b>	<b>2.56%</b>
Operating Margin	\$107,545,000	\$108,602,000	\$1,057,000	
University Administrative Fee	12,300,000	12,000,000	(300,000)	-2.44%
Deferred Maintenance & Capital	47,827,000	45,342,000	(2,485,000)	-5.20%
Debt Service	47,418,000	51,260,000	3,842,000	8.10%
<b>Subtotal</b>	<b>\$107,545,000</b>	<b>\$108,602,000</b>	<b>\$1,057,000</b>	<b>0.98%</b>
Net Margin	\$0	\$0	\$0	

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

<b>Room Description</b>	<b>Number of Occupants</b>	<b>2019/20 Current Rate</b>	<b>2020/21 Proposed Operating Increase</b>	<b>2020/21 Proposed Capital Assessment</b>	<b>2020/21 Proposed Rate</b>	<b>2020/21 Proposed Increase</b>
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Renovated Double	2	3,628	127	73	3,828	200
Small Double	2	2,455	64	49	2,568	113
Triple	3	2,950	77	59	3,086	136
Triple/Bath	3	3,280	81	66	3,427	147
Quad	4	2,950	77	59	3,086	136
Quad/Bath	4	3,280	81	66	3,427	147
Quad as Triple	3	3,280	81	66	3,427	147
Standard Single	1	4,460	116	89	4,665	205
Standard Single/Bath	1	4,550	119	91	4,760	210
Renovated Single	1	4,550	163	92	4,805	255
Eastview Single/Bath	1	5,540	144	111	5,795	255
Eastview Large Single/Bath	1	5,945	156	119	6,220	275
RA Rate	1	2,050	64	41	2,155	105
Standard Double Suite	2	3,875	102	78	4,055	180
Standard Double Suite as Triple	3	3,280	81	66	3,427	147
Standard Single Suite, 1/bedroom	4	4,520	120	90	4,730	210
Double Suite	2	4,160	107	83	4,350	190
Single Suite	1	5,415	142	108	5,665	250
<b>University Park, Nittany Apartment</b>						
<i>Rate/Person/Semester*</i>						
2 Bedroom Garden	4	3,975	105	80	4,160	185
4 Bedroom Garden	4	4,460	116	89	4,665	205
4 Bedroom Townhouse	4	4,630	122	93	4,845	215
<b>Erie, Behrend Apartment</b>						
<i>Rate/Person/Semester*</i>						
2 Bedroom Garden	4	3,975	105	80	4,160	185
<b>Harrisburg &amp; Abington Apartment</b>						
<i>Rate/Person/Semester*</i>						
Apartments-Bedroom Single	4	4,785	169	96	5,050	265
Apartments-Bedroom Double	6	4,210	146	84	4,440	230
Apartments-Bedroom Triple	9	3,790	134	76	4,000	210
<b>Beaver, Greater Allegheny, Hazleton, &amp; Mont Alto</b>						
Standard Double	2	3,090	0	60	3,150	60
Standard Double Suite	2	3,650	0	75	3,725	75
Townhouse Double	2	3,255	0	65	3,320	65

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

**Approved University Park Graduate Apartment Rates**

2020/21 Rates approved by the Board of Trustees in September 2019

<b>Room Description</b>	<b>2019/20 Rate</b>	<b>2020/21 Rate</b>
<b>University Park, Graduate Family Apartment</b>		
<i>Rate/Month*</i>		
White Course 1 Bedroom	\$1,145	\$1,168
White Course 2 Bedroom	1,295	1,321
White Course 3 Bedroom	1,430	1,459
White Course 3 Bedroom w/2 Bath	1,445	1,474
<b>University Park, Graduate Apartment</b>		
<i>Rate/Person/Month*</i>		
White Course 4 Bedroom	\$920	\$938

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

<b>Meal Plan</b>	<b>2019/20 Current Rate</b>	<b>2020/21 Proposed Rate</b>	<b>2020/21 Proposed Increase</b>	<b>2020/21 Dining Dollars</b>
<b>Plan 1</b>	\$2,070	\$2,100	\$30	\$655
<b>Plan 2</b>	2,399	2,449	50	1,004
<b>Plan 3</b>	2,665	2,732	67	1,287

**History of Double Room and Mid-Level Meal Plan Rates 2011 through 2021**

<b>Year</b>	<b>Semester Rate</b>	<b>Semester Increase</b>	<b>Percent Increase</b>
<b>2020/21</b>	\$5,876	\$200	3.52%
<b>2019/20</b>	5,676	146	2.64%
<b>2018/19</b>	5,530	135	2.50%
<b>2017/18</b>	5,395	165	3.15%
<b>2016/17</b>	5,230	155	3.05%
<b>2015/16</b>	5,075	190	3.89%
<b>2014/15</b>	4,885	200	4.27%
<b>2013/14</b>	4,685	190	4.23%
<b>2012/13</b>	4,495	125	2.86%
<b>2011/12</b>	4,370	185	4.42%
<b>2010/11</b>	4,185	100	2.45%