



PennState

Meetings of the Board of Trustees | September 14, 2018

Minutes

MINUTES OF MEETING

BOARD OF TRUSTEES

VOLUME 308

September 14, 2018

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 14, 2018.

The following Trustees were present: Dambly (chairman), Schuyler (vice chairman), Barron, Brown, Cotner, Dandrea, Delligatti, Detwiler, Dietrich, Doran, Dunn, Han, Harpster, Hartzler, Hoeschele, Hoffman, Jubelirer, Kleppinger, Lubert, Masser, Oldsey, Paterno, Pope, Potts, Rakowich, Schneider, Short, Stanell, Steele, Tribeck, and Weinstein. Participating by phone was Trustee Casey. The Governor's non-voting representative, Mr. Shipley, was also in attendance.

Present by invitation were Faculty Senate members Berube, Rowland, Seymour, Taylor, and Woessner; student representatives Carvajal, Hairston, Heaton, McKinney, and Winkler; representatives Hanes and Wagman; Academic Leadership Council Chair Hillkirk; and staff members Andrews, Barbour, Beahm, Bieschke, Bundy, Dunham, Gray, Guadagnino, Hanes, Hillemeier, Huston, Jones, Kubit, Lokman, Moore, Mulroy-Degenhart, Pangborn, Sharkey, Sims 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 welcomed the incoming student cohort; Chancellor R. Keith Hillkirk, Chair of the Academic Leadership Council; and Administrative Fellows Zuleima Karpyn, Lynette Yarger, and Laurie Verost. Chair Dambly introduced three student guests, Izaiah Bokunewicz, Mackenzie Williams, and Rachel Shriver, who spoke about their summer internship experiences.

The roll was called by Janine Andrews, Associate Secretary of the Board. Chair Dambly then proceeded with the meeting.

Request for 2019-2020 Appropriation for Operations

President Barron discussed the 2019-20 State Appropriation Request that will be submitted to the Commonwealth of Pennsylvania at the end of the month. The presentation included information about how Penn State uses the appropriation and its positive impacts on teaching, research and outreach. He discussed the considerations and method of how the request is formulated. Dr. Barron acknowledged that this is the first step in the budget process, which typically culminates in June.

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

[Appendix I]

Action Items – Consent Agenda

Chair Dambly noted that Action Items 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. Trustee Weinstein requested individual consideration for Items J and K; Trustee Pope requested individual consideration for Item N. A motion to approve each of the following Action Items, A-I and L-M, was seconded and approved by the Board:

- A. Approval of the *Minutes* of the meetings of the Board held on July 20, 2018.

B. 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
A. Craig Hillemeier	Robert J. Tribeck
Nicholas P. Jones	

The Committee on Finance, Business and Capital Planning recommended that the Board of Trustees approve the following resolutions:

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

RESOLVED, That Blake Gall, Edward R. Hintz, Jr., and Joseph B. Markovich, non-University employees, are appointed to the Penn State Investment Council for terms ending in 2021.

D. Consideration of Request for 2019-2020 Appropriation for Operations

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 2019-2020 in the amount of \$347,009,000.

E. Appointment of an Architect, James Building Replacement, University Park

RESOLVED, That the Officers of the University are authorized to employ Kieran Timberlake of Philadelphia, Pennsylvania, to design the James Building Replacement, 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.

F. Appointment of an Architect, Beaver Community Center, Penn State Berks

RESOLVED, That the Officers of the University are authorized to employ Atkin Olshin Schade Architects of Philadelphia, Pennsylvania, to design the Beaver Community Center, Penn State Berks.

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. Appointment of an Architect for the Relocation of the Applied Research Laboratory Steam Plant, Benner Township

RESOLVED, That Hoffman Leakey Architects, of Boalsburg, Pennsylvania, is the architect of record for the design of the Relocation of the Applied Research Laboratory Steam Plant in Benner Township.

H. Final Plan, Approval and Authorization to Expend Funds, Pattee Library Renovations and Courtyard Infill, University Park

RESOLVED, That the final plans for the Pattee Library Renovations and Courtyard Infill, as designed by WTW Architects of Pittsburgh, Pennsylvania, are approved.

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

I. Approval of Graduate Apartment Rates

RESOLVED, That the monthly lease rates for graduate apartments at University Park 2019-20 be increased as shown below, as part of this resolution.

	2018/19 Rate	Operating Increase	Capital Assessment	2019/20 Proposed Rate	Amount of Increase
1 Bedroom	\$1,125	\$10	\$10	\$1,145	\$20
2 Bedroom	\$1,275	\$10	\$10	\$1,295	\$20
3 Bedroom	\$1,430	\$0	\$0	\$1,430	\$0
3 Bedroom w 1.5 baths	\$1,445	\$0	\$0	\$1,445	\$0
Quad Apartment (per person)	\$905	\$5	\$10	\$920	\$15

The Committee on Governance and Long-Range Planning recommended that the Board of Trustees approve the following resolutions:

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

RESOLVED, That Barbara L. Doran and William F. Oldsey be elected as at-large members to the Executive Committee of the Board of Trustees.

M. Appointment of Director for Penn State Health

RESOLVED, That Timothy P. Brown is hereby appointed as a member of the Board of Directors of Penn State Health effective upon the date of this Resolution and expiring June 30, 2019.

Action Item N, Proposed *Standing Order* Amendment: Expectations of Membership, as recommended by the Committee on Governance and Long-Range Planning, was then considered separately as requested by Trustee Pope. Trustee Pope proposed an amendment to the recommended language, that would add the following language:

A Trustee accused of violating the Expectations of Membership may appeal the Chair's findings, including the specified sanctions, to the full Committee on Governance and Long-Range Planning.

A motion to approve the emendment was made and seconded. Following a roll call vote, it was defeated by the Board (12-20).

A motion to approve Action Item N as originally presented was made and seconded. Following a roll call vote, it was approved by the Board (23-9).

N. RESOLVED, That the Standing Orders be amended as set forth below, as shown in Appendix 1.

[Appendix II]

Action Item J, Proposed Acquisition of Nittany Village, Lower Swatara Township, Dauphin County, Pennsylvania; and Action Item K, Proposed Acquisition of Approximately 5.0 Acres, Lower Swatara Township, Dauphin County, Pennsylvania, as recommended by the Committee on Finance, Business, and Capital Planning, were then jointly considered, as requested by Trustee Weinstein. Following discussion, a motion to approve Action Items J and K as presented in the Consent Agenda was made and seconded.

Following a roll call vote, the following resolutions were approved by the Board (28-1-3). Trustees Dunn, Paterno, and Pope abstained from voting.

- J. RESOLVED, That the Board of Trustees approves the acquisition of the Nittany Village property at 451 West Main Street, Middletown, Lower Swatara Township, Dauphin County, Pennsylvania, comprised of 5.53 acres and three separate buildings totaling 101,460 gross square feet, from Lawrence Street Partners, L.P. for \$21,900,000.

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.

- K. RESOLVED, That the Board of Trustees approves the acquisition of approximately 5.0 acres of property immediately adjacent to the Penn State Harrisburg campus in Lower Swatara Township, Dauphin County, Pennsylvania, from Spring Street Property, L.P., for an amount not to exceed \$2,500,000.

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.

Action Items – Other

Chair Dambly reported that a subgroup of the Committee on Governance and Long-Range Planning met to review the service records of individuals most recently leaving the Board with six or more years of service and recommended to the Committee that Ryan McCombie be considered for Emeritus Trustee status. A motion to approve the appointment, as recommended by the Committee on Governance and Long-Range Planning, was seconded and approved by the Board.

President's Report and Discussion

President Barron delivered a report on the initiative One Penn State 2025, which is a vision for an ambitious rethinking of some of our most fundamental approaches to how we structure learning and how we operate to support student success. Its evolution depends on substantial partnership and our ability to find and direct resources toward an evolved, transformative approach to higher education. He provided an overview of the process (which began in 2016), and then described each of the Guiding Principles as well as the challenges and progress toward implementation. The Guiding Principles are: 1) Provide a Seamless Student Experience; 2) Achieve Curricular Coherence; 3) Design Relevant and Responsive Programs; 4) Engage Learners Throughout Their Lifetimes; and 5) Achieve the Highest Level of Efficiency of University Resources. He concluded by discussing the requirements for success and then he led a robust discussion on the topic.

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

[Appendix III]

Announcements by the Chairman of the Board of Trustees

In closing, Chair Dambly called for other matters to come before the Board. There being no other business, the public meeting was adjourned at 2:50 p.m. The meeting is available in its entirety at <https://youtu.be/ZUMubFfujAU>.

Respectfully submitted,

Janine S. Andrews
Associate Secretary,
Board of Trustees

2019-20 State Appropriation Request

Report to the Board of Trustees
September 14, 2018

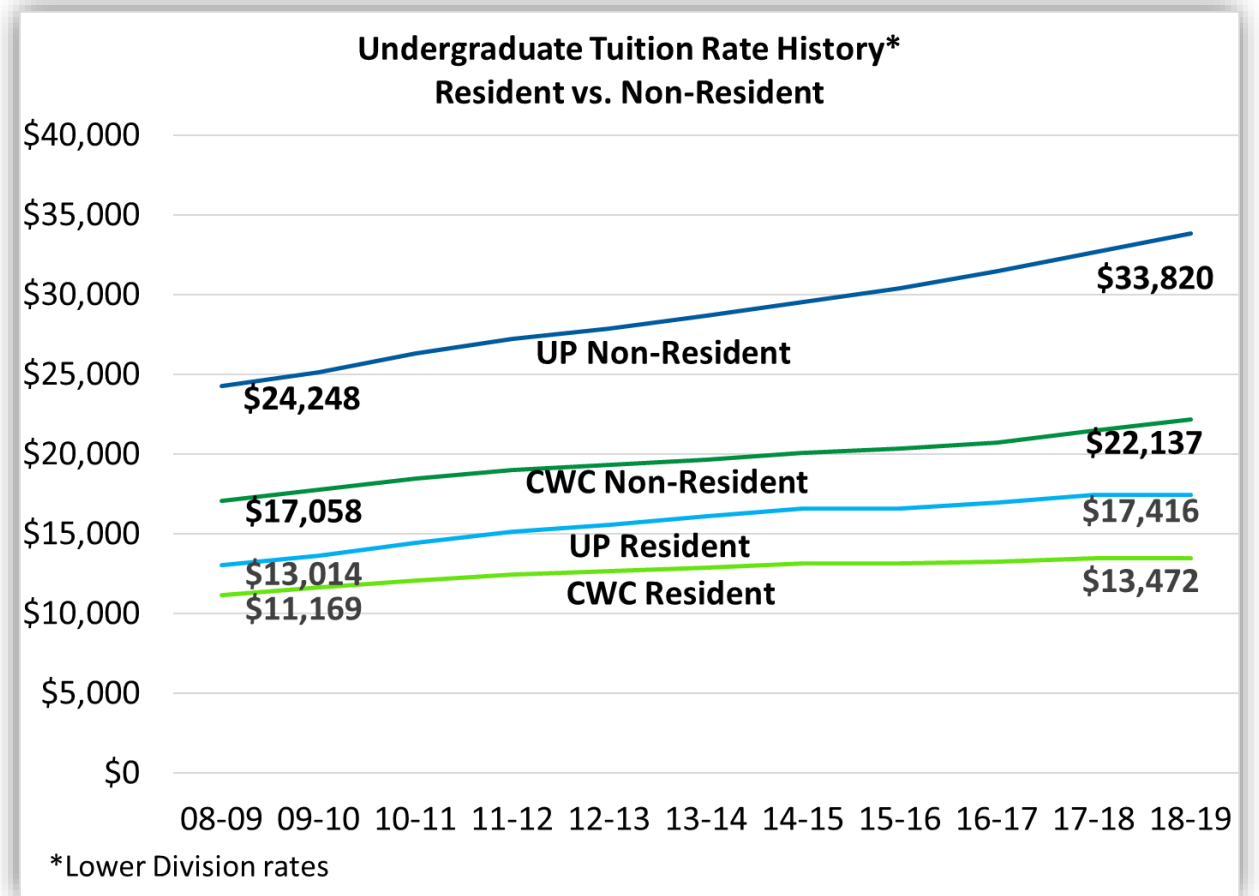


A Longstanding Partnership

- State appropriation provides crucial funds that help keep a Penn State education affordable for Pennsylvania resident students.
- Funds help support Agricultural Research and Cooperative Extension, Medical Assistance Funding for the Penn State Health Milton S. Hershey Medical Center, and the Pennsylvania College of Technology.

A Positive Impact: Education and General

- Five years of modest increases in our appropriation have allowed Penn State to minimize increases/freeze tuition for PA resident students.
- Penn State ranks 5th among flagship universities for the smallest overall increases in in-state tuition over the last 10 years.*



* Source: The Chronicle of Higher Education 2018 Almanac

A Positive Impact: Ag Research and Extension

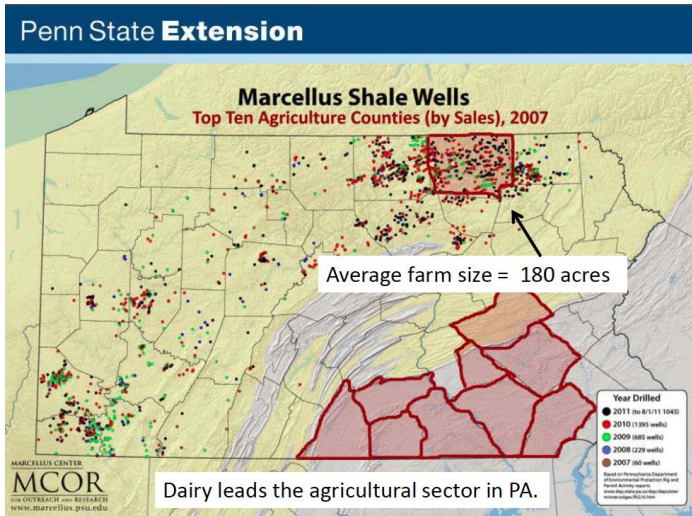
- Research and outreach on issues impacting the food and water supply, health, Better Kid Care, energy and the environment, and infectious diseases.

Spotted Lanternfly Research Update

Julie M. Urban
Department of Entomology
Penn State University



Photo : Pennsylvania
Dept. of Agriculture



A Positive Impact: Penn College of Technology

- Support for students pursuing technical education in high-demand fields, including nursing and health sciences, construction, and industrial, computing, and engineering technologies.



A Positive Impact: Penn State Health

- Providing medical assistance to those in need.



More Positive Impacts

- Invent Penn State: Investments in innovation and entrepreneurship
 - Creation of 21 Innovation Hubs across Pennsylvania: 1000s of faculty, students, staff, and residents engaged; 100s of community entrepreneurs supported; and 100s of new products, startups and student internships undertaken.
- Child Maltreatment Solutions Network: Penn State and partners launching new child abuse prevention programs
- Research and related endeavors that benefit the Commonwealth, such as Penn State hosting an Opioid Summit to help address the crisis.

Appropriation Request Cycle

- Developed by senior leadership of the University.
- Presented/discussed during September FBCP webinars, FBCP committee meeting, and public Board meeting.
- Presented to Board for approval in public meeting.
- Typically submitted to the state in late September.

Request Considerations: PA Resident Tuition

- Desire to keep PA resident tuition increases as low as possible.

Undergraduate Tuition Rate History*

	PA Resident			Non-PA Resident		
	2008-09	2018-19	\$ Change	2008-09	2018-19	\$ Change
University Park	13,014	17,416	4,402	24,248	33,820	9,572
Tier 2	11,490	14,214	2,724	17,578	23,466	5,888
Tier 3	11,008	13,484	2,476	16,798	22,044	5,246
Tier 4	11,008	12,718	1,710	16,798	20,902	4,104

*Lower Division rates

Expense Increases

- Salary pool for faculty/staff of 2.5% (\$32.9M)
- Capital improvement, facilities, and maintenance (\$19.9M)
- Strategic investment/innovation (\$12M)
- Health insurance and retirement (\$9.1M)

- Uncertainty: Unknown SERS increase

Additional Considerations

Revenue increases/cost savings

- Targeted budget reductions and reallocations to be identified (\$13.4M commitment)
- Increased Facilities & Administration cost recovery due to growth in sponsored research grants (\$7.0M)
- Some elements of the budget are not yet identified
- Gap without other revenue/savings could be \$38.3M
- Gap will determine tuition scenario proposals

Proposed 2019-20 State Appropriation Request

(\$ in 000's)

	<u>2018-19 Appropriation</u>	<u>Requested Increases</u>	<u>2019-20 Requested Appropriation</u>
<u>Direct State Appropriation:</u>			
General Support	\$237,349	\$14,241	\$251,590
Pennsylvania College of Technology	22,736	1,364	24,100
Total Direct State Appropriation	260,085	15,605	275,690
<u>Agricultural College Land Scrip Funds:</u>			
Subtotal	53,882	3,233	57,115
	313,967	18,838	332,805
<u>Department of Human Services:</u>			
M.S. Hershey Medical Center			
Medical Assistance Funding (estimate)	13,400	804	14,204
TOTAL APPROPRIATION	<u>\$327,367</u>	<u>\$19,642</u>	<u>\$347,009</u>

First Step in Budget Process

- We will be working with the legislators during the next several months.
- Governor releases his budget proposal in early February.
- Appropriation hearings held in February/March.
- Discussions continue until the budget is approved by June 30, 2019.

9/14/2018 Appendix 1

Proposed Amendments to *Standing Order VIII(1)(d)*

For violation of the Board's expectations of membership as set forth in *Standing Order VIII(1)(d)*, the chair of the Board, in consultation with the Board's vice-chair, shall have the discretion to take any or all of the following actions:

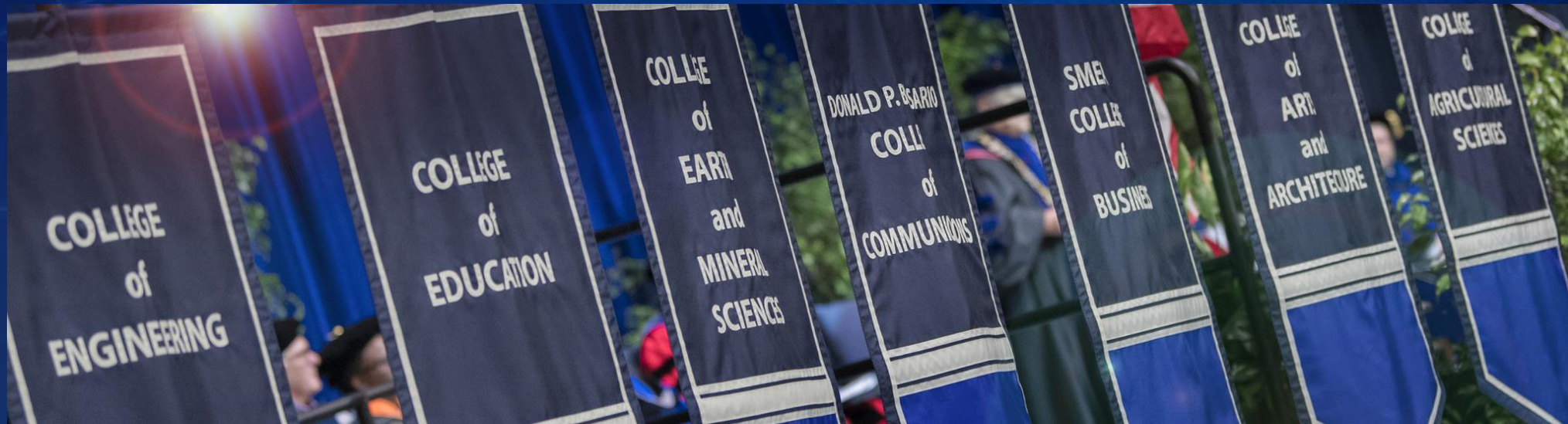
- a) Remove a trustee from any Board leadership position, including the positions of chair or vice-chair of any committee or subcommittee;
- b) Remove a trustee from any committee, subcommittee or other Board assignment;
- c) Pursue the adoption of a full Board resolution, or publicly issue a letter from the chair, censuring the offending trustee;
- d) Privately issue a letter of censure with or without notice to the Board; in the case of a private letter of censure with notice to the Board, the letter would be confidential, and Board members would be requested to maintain the confidentiality of the communication; and/or
- e) Discuss the breach with the offending trustee and without notice to the Board.

Before taking any of the above-described actions (a) – (c), the chair of the Board shall also consult with the chair and vice-chair of the Committee on Governance and Long-Range Planning and, in the case of an action described in (b) above, with the chair of any affected Committee. In the event that the chair or vice chair of the Board, the chair or vice chair of the Committee on Governance and Long-Range Planning or the chair of any affected Committee is the subject of the action to be taken, such individual would be recused from participating in any such consultation.

Additionally, before taking any of the above-described actions, the chair and vice-chair of the Board shall communicate with the offending trustee to specify the nature of the perceived offense, to clarify the expectations of Board leadership, and to provide an opportunity for the trustee to explain his/her actions and otherwise respond to the alleged violation. In deciding whether to impose a sanction for violation the expectations of membership, the Board chair shall take into account the position of the trustee charged with the violation, and shall also consider whether the violation is a first-time, or repeated, offense, the public or private nature of the offense and the severity of the injury or potential injury to the Board or the university arising from the violation.

The imposition of any sanctions hereunder for violation of the Board's expectations of membership shall not inhibit the capacity of the Board to remove a trustee pursuant to §2.03 of the *Bylaws* for any misconduct that constitutes a breach of a trustee's fiduciary duties.

One Penn State 2025



A Discussion with the Board of Trustees
September 14, 2018



Penn State as a Leader in the Transformation of Higher Education

- Academic ranking, history as an online pioneer, brand strength, financial stability, technological capabilities and growth, efforts to tackle costs over the last decade – all yield a potential for innovation that few institutions are capable of accomplishing.



What is One Penn State 2025?

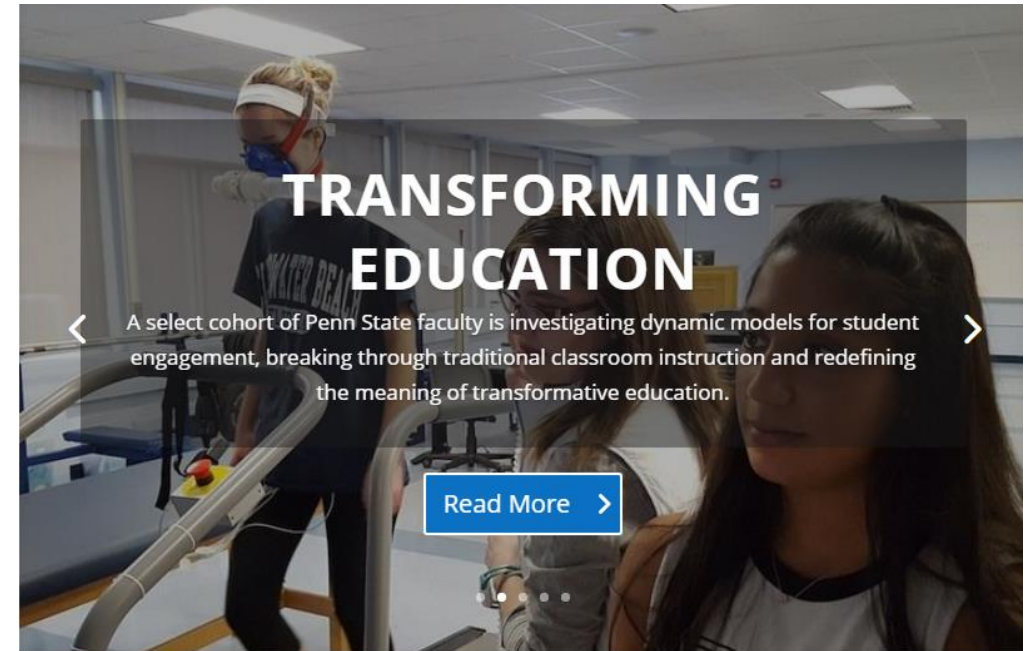
- It's a vision for an ambitious rethinking of some of our most fundamental approaches to how we structure learning and how we operate to support student success.
- Its evolution depends on substantial partnership and our ability to find and direct resources toward an evolved, transformative approach to higher education.



How It Began

Penn State Strategic Plan

Penn State will be a leader in the transformation of education, including enhancing access to it, as it fulfills its land-grant mission in a 21st-century context and continues to drive discovery-focused research across disciplines.



The Process

Gathered input from more than 600 academic leaders, faculty, students and staff; expanded the role to learning at Penn State by leveraging the digital environment.

Oct
2016

The Future of Online Learning and the Role of the World Campus Task Force charged to review trends, leverage the success of the World Campus and recommend a vision and framework for the future of online learning at Penn State.

SP
2017

SP
2018

Finalized report focusing on five Guiding Principles: business processes, curricula, timely content and modalities, lifelong engagement and support systems.



The Vision: One Penn State 2025

- To be more integrated, flexible and responsive as an institution
- Seamless online access to curricula and processes across all Penn State campuses
- Function 24/7/365
- Serving needs of people where they are
- A higher level and strengthening of already-existing commitments
- To be more diverse and inclusive



Guiding Principles

1. Provide a Seamless Student Experience
2. Achieve Curricular Coherence
3. Design Relevant and Responsive Programs
4. Engage Learners Throughout Their Lifetimes
5. Achieve the Highest Level of Efficiency of University Resources



1. Provide a Seamless Student Experience

- Streamline all interactions with Penn State and shift time and attention from navigating business transactions to learning.
- Integrate admissions, enrollment and student processes, taking courses, co-curricular learning and support services.



Progress Toward Implementation

Leadership in Admissions, Student Aid, the Registrar and the Bursar are exploring:

- A one-stop intuitive platform that provides access to prospective students through graduation and beyond.
- Cross-functional teams to support students for the majority of their needs; tiered and specialized support when needed.

2. Achieve Curricular Coherence

- Work collaboratively to create and move toward one unified curriculum across each major, minor and certificate program.
- Requires strong disciplinary and interdisciplinary communities and multiple and flexible models of course taking.



Challenges

- How to retain unique strengths of existing programs.
- Requires phased-in approaches to address student access.
- Need for coordination with current efforts by faculty and academic leaders.



Progress Toward Implementation

- A team of academic affairs directors has coordinated instructional resources and offerings across the Commonwealth Campuses for one undergraduate program.
- Additional cross-campus coordination for content projects is underway.
- Physics faculty are using version control technology to create core content for a general education physics course.
- We have established a Learning Outcomes Assessment team in the Office of Planning and Assessment.

3. Design Relevant and Responsive Programs

- Offer degrees and programs with learning outcomes defined by disciplinary communities and contemporary needs.
- Offer flexibility in achieving these outcomes via multiple pathways.

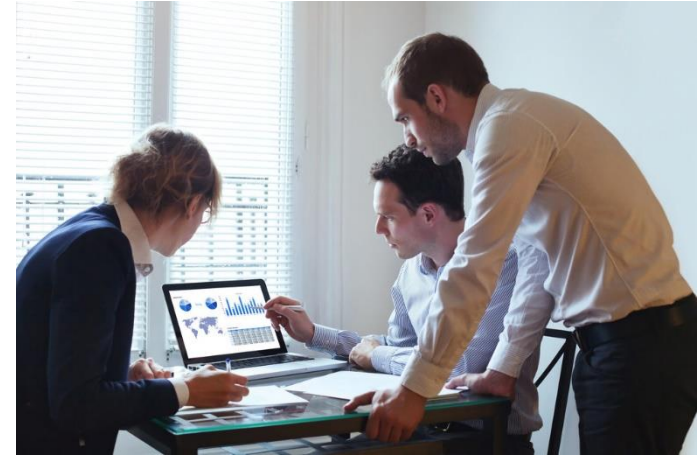


Progress Toward Implementation

- Some disciplines are interested in developing content (credit and non-credit) to be shared with others.
- Some campuses/colleges are interested in developing accelerated programs and alternate delivery methods.
- Some campuses/colleges are interested in incorporating specific professional competencies into their curricula in a more deliberate fashion.

4. Engage Learners Throughout Their Lifetimes

- Deliver content that is timely, topical and relevant to personal and professional well-being.
- Offer a single University portal with easy access to distributed content sources for learners, faculty, colleges and campuses.



Consider: Penn State is Your University for Life

- Goes beyond lifelong learning.
- Once you enroll, you have access to Penn State educational opportunities for life – single courses, degree programs, additional majors, minors, certificates – what you need to advance your career and interests.
- Same email, same student number, always “registered.”
- Graduation is not an endpoint – we are always open.

Potential Models for Partnering

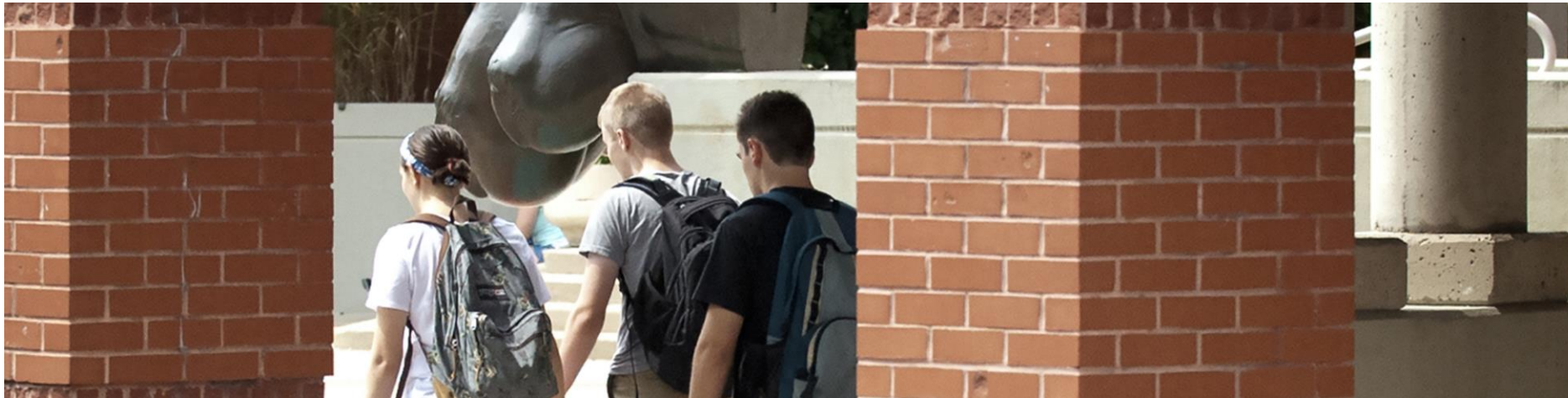
- Pay-as-you-go. Take one class, a course or a sequence.
- Differentiated subscription rates for alumni/others.
- Credit/non-credit, degree/non-degree options.
- Need to simplify management of the transactional part of the operation.

Progress Toward Implementation

- Learning from College of Ag and Extension education program, especially the Atlas Program, which is already working in this space.
- PSAA is interested in partnering to leverage alumni connections to expand reach of non-credit courses.
- Proof-of-concept pilot with 1 or 2 colleges is being explored.
- Team developing RFP for enterprise-wide, non-credit registration system to support this activity.
- Exploring the best ways to create a course catalog.

5. Achieve the Highest Level of Efficiency of University Resources

- Leverage digital resources and align faculty, academic and administrative resources to achieve greater institutional efficiency to address affordability for a high-quality Penn State education.
- Builds on existing efforts of academic leaders and faculty.



Progress Toward Implementation

- Examining the successful model of The Digital Learning Cooperative, which shares content while maximizing faculty capacity and supporting curricular coherence.
- The Organizational Processes Steering Committee's project on Operational Excellence explored the question of shared resources and the variety of content management systems.
- Career Services coordinated the creation of a single, integrated career enterprise system for 37 PSU career units.

The Overarching Goal

One Penn State 2025 represents a fluid, personalized and collaborative environment that enables students, alumni, faculty and staff to achieve their goals regardless of their location.



Requirements for Success

- Budget models that strongly align with and support the One Penn State 2025 vision.
- Academic and administrative structures that foster greater student, staff and faculty identification with disciplinary communities in addition to affiliation with a department, college or campus.

Discussion: Are We Ready to Transform a Penn State Education?

1. Provide a Seamless Student Experience
2. Achieve Curricular Coherence
3. Design Relevant and Responsive Programs
4. Engage Learners Throughout Their Lifetimes
5. Achieve the Highest Level of Efficiency of University Resources

