



**PennState**

**Meetings of the Board of Trustees | July 22, 2016**

# **Minutes**

**MINUTES OF MEETINGS OF  
BOARD OF TRUSTEES  
VOLUME 294  
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MINUTES OF MEETING

**BOARD OF TRUSTEES**

VOLUME 294

July 22, 2016

A meeting of the Board of Trustees was held in the Library of the Nesbitt Academic Commons at the Penn State Wilkes-Barre campus in Lehman, PA, at 1:30 p.m. on July 22, 2016.

The following Trustees were present: Masser (chairman), Lubert (vice chairman), Barron, Brown, Capretto, Casey, Cotner, Dambly, Dandrea, Detwiler, Doran, Fenza, Goldstein, Han, Harpster, Hoffman, Huber, Jubelirer, Lord, Lubrano, McCombie, Mead, Metaxas, Oldsey, Potts, Rakowich, Redding, Salvino, Schneider, Schuyler, Silvis, Tribeck, and Weinstein. Participating by telephone were Trustees Benson and Pope. The Governor's non-voting representative, Mr. Shipley, was also in attendance. Emeriti Trustee Shaffer was also present.

Present by invitation were faculty representatives Strauss and Taylor; Academic Leadership Council Chair Milone-Nuzzo; student representatives Ford and Horne; representatives Blew, Jordan, Pauley and Steele; and staff members Andrews, Basso, DiRaimo, Dunham, Gray, Guadagnino, Hanes, Hillemeier, Jones, Kirsch, Lokman, Mulroy-Degenhart, Pangborn, Poole, Sharkey, Sims, and Weidemann.

An opportunity for public comment was provided on July 22, 2016, during a public session of the Board at 8:00 a.m. in the Student Commons of the Penn State Wilkes-Barre campus. Four speakers shared their views:

Joseph Boylan, alumnus  
Alexander Shockley, student  
Wico van Genderen, community member  
Johan Zwart, community member

Chairman Masser's opening remarks are included as follows:

"Good afternoon and welcome. Let me begin by expressing my appreciation and gratitude to Penn State Wilkes-Barre Chancellor, Charles Davis, and his colleagues for their time, dedication, and commitment in showcasing this beautiful campus, and hosting our meetings. The pride that the faculty, staff, students and Campus Advisory Board members and the community have in this remarkable campus is evident and we are truly proud to be here. It's an honor indeed for us to be here with all of you during the 100-year anniversary of the campus. Later, we will look forward to a report from Chancellor Davis. I am pleased to welcome Valerie Detwiler to her first board meeting. Valerie, we look forward to having you as a colleague and appreciate the service and commitment you will be providing.

"In May we welcomed our Faculty Senate officers and newly elected student leaders. Our Staff Advisory Council leaders working with the Board this year will be John Ilie, chair, who is not able to be with us today but will serve on the Committee on Outreach Development and Community Relations. And we look forward to immediate past Co-chair, Jenny Blew's, participation on the Committee on Academic Affairs and Student Life. Paula Milone-Nuzzo is with us today in her last meeting as Chair of the Academic Leadership Council. Thank you for your involvement and engagement with the board, Paula. Replacing Gul Kremer as Chair of the University Faculty Planning Committee is Laura Pauley who will serve on the Committee on Governance and Long-Range Planning. I'm pleased that the University's 2015-2016 Administrative Fellows are with us today. Rebecca Cianci,

Human Resource Manager in the Smeal College of Business spent her fellowship year with Susan Basso. Madhavi Kari, Director of Career Solutions and Corporation Engagement in the College of Information Sciences and Technology, served under the mentorship of Damon Sims, and Binh Le, Associate Librarian, Head of Reference at Penn State Abington, served under Nick Jones. I hope all of you found your experience to be rewarding and one of personal and professional growth. And I want to thank you for sharing your reflections on your experience yesterday with the Committee on Academic Affairs and Student Life. We appreciate having many friends from Penn State Wilkes-Barre with us today. Among those I want to note, Gregory Strazdus, President of Penn State Wilkes-Barre Student Government Association, and James Brozena, Chair of the Penn State Wilkes-Barre Campus Advisory Board. Thank you for joining us today. I'd also like to recognize some members of my family that are with us today. My wife, Helen, is here in the back, our son, David, and our granddaughter, Samantha. Samantha just recently completed a week of Science U at University Park.

"Before we begin with our agenda, I'd like to take a few minutes to extend our appreciation to Rod Kirsch for his commitment and service to the Board, and to the University. During Rod's 20-year tenure he had led the University through two, seven-year billion dollar plus capital campaigns. There are many mile posts and benchmarks I could cite as examples of Rod's impact such as a record breaking attainment of new private support garnering \$1.27 billion in contributions for the University's endowment or establishing a new national standard for alumni donors giving to a single institution with 176,000 alumni donors supporting *For the Future: The Campaign for Penn State Students*. But, if I kept going with his long and distinguished list of accomplishments we might here until Penn State Wilkes-Barre celebrates its next anniversary. Rod's commitment has gone beyond his responsibilities as a senior executive, and those well-deserved honors. Rod and his wife Mitch have committed nearly \$200,000 of their own resources in private support to Penn State. And on top of that, they have endowed the Vice President for Development Staff Excellence Award, established the Kirsch/Stipanovich Trustee Scholarship, funded the Prairie Patch of the Children's Garden at the Arboretum, and provided seed money to create the first embedded counselor position for the Office of Counseling and Psychological Services; and how compelling it is that the 2016 Class Gift selection of an endowment to help support counseling and psychological will work in conjunction with the Kirsch generosity to help our students address personal and mental health challenges. Rod, would you please join me at the podium?

"Rod, on behalf of trustee colleagues, I am pleased to present you with a token of appreciation for all you have done for the board, for all you have done for Penn State, and for the personal and professional legacy you have imprinted on this great institution. I think it is safe to say that I speak for our current trustees and all those who came before that it has been an honor and privilege to serve with you, Rod. We wish you all the best."

The roll was called by Janine Andrews, Associate Secretary of the Board. Following the roll call, the Board voted to approve the *Minutes* of the meetings of the Board held on May 6, 2016.

Chair Masser turned the meeting over to Thomas Poole, Vice President for Administration, and Secretary of the Board.

Thomas Poole, Vice President for Administration, in his role as Secretary of the Board, conducted the election of officers. With 32 voting trustees physically present, and two attending by telephone, 18 votes were needed to elect officers. On May 17, 2016, Keith Eckel, Chair of the Committee on Governance and Long-Range Planning, provided all Trustees with the process and timeline for electing candidates for the offices of Chair and Vice Chair of the Board. Trustee Ira Lubert announced his candidacy for Chair of the Board; and Trustees Allison Goldstein and Mark Dambly announced their candidacy for the position of Vice Chair of the Board. Candidates submitted biographical sketches and vision statements which were distributed to all members of the Board. Each candidate was also provided an opportunity to speak to the board about their candidacy.

Dr. Poole called for nominations for the position of Chair. Trustee Keith Masser nominated Trustee Ira Lubert for Chair; the nomination was seconded by Trustee Robert Capretto. There were no additional nominations from the floor. A motion to close the nominations was made and seconded and approved.

Dr. Poole then called for nominations for the position of Vice Chair. Trustee Luke Metaxas nominated Trustee Allison Goldstein for Vice Chair; the nomination was seconded by Trustee William Oldsey. Trustee Kathleen Casey nominated Trustee Mark Dambly for Vice Chair; the nomination was seconded by Trustee Robert Fenza. There were no additional nominations from the floor. A motion to close the nominations was made and seconded and approved.

Dr. Poole stated that the remaining officers of the Board also required election. Incumbent officers included: Thomas G. Poole, Secretary of the Board; Associate Secretary Janine Andrews; Treasurer David Gray; Assistant Treasurer Deborah Meder; Assistant Treasurer Susan Wiedemer; Assistant Secretary Carmella Mulroy-Degenhart; and Assistant Secretary Donna Newburg. Assistant Secretary Carol Maddox no longer holds a position and was replaced on the ballot by Assistant Secretary Kim Wright.

Dr. Poole provided the Trustees with voting instructions and stated that results of the election would be announced later in the meeting. Paper ballots were distributed to, and collected from, the Trustees by members of the Board Office staff. Robert Pangborn, Vice President and Dean for Undergraduate Education, and Madlyn Hanes, Vice President for Commonwealth Campuses, served as tellers for the election.

### **President's Report**

Dr. Barron's presentation was titled "Measures of Productivity," and was created to share the metrics and measures of productivity that signal what excellence is at Penn State. The presentation primarily focused on three areas: teaching excellence, research excellence, and the intersection of teaching and research. The presentation provided a series of charts and graphs that compared information from the Association of American Universities (AAU), *U.S. News and World Report* college rankings, and the National Research Council (NRC) rankings. It also included statistics on faculty salaries, student-faculty ratios, graduation and retention rank, research expenditures, and research dissemination, as well as highlights of Commonwealth Campus faculty and rankings. Dr. Barron concluded with this summary of productivity at Penn State.

- Faculty doing more with less as indicated by our top 50 *U.S. News* ranking as compared to our faculty resource ranking.
- Excelling in teaching as reflected in our retention/graduation rates and our actual graduation rates vs. the predicted rates as calculated in the *U.S. News* rankings.
- Excelling in research as reflected in the results of national rankings and results produced.
- Compensation is commensurate with the quality of faculty.
- Penn State has maintained an excellent student-faculty ratio.
- Penn State faculty spend fewer hours involved in the bureaucracy noted as "Other University Service."

Looking ahead, he predicted that the *Strategic Plan* and Capital Campaign will promote even higher levels of excellence.

Dr. Barron responded to questions and comments about the following:

- Resource balance
- Investment challenges
- Invent Penn State Initiatives

For the full text of Dr. Barron's report and companion slides, refer to Appendix I.

[Appendix I]

### **Provost's Report**

In his report, Dr. Jones focused on the University's 20 Commonwealth Campuses and how their faculty, staff, and students are helping to advance the imperatives of Penn State's *Strategic Plan*. About 55 percent of Penn State first-year students begin their studies at a Commonwealth Campus, which are home to more than 31,000 students, constituting 36 percent of Penn State's total residential student body. About 85 percent of these students are Pennsylvania residents, 37 percent are first-generation college students, and more than 80 percent receive financial aid and work part time while pursuing their degrees. These figures, among others, illustrate the impact that the University is making by enabling access to education which is the *Strategic Plan's* first foundational principle. Dr. Jones also noted that the Commonwealth Campuses drive substantial community impact as employers. With more than 3,700 full-time and 4,000 part-time employees, Penn State's Commonwealth Campuses remain vital to the economic health and development of the regions they serve. Dr. Jones spotlighted several campus success stories and "Invent Penn State," an initiative that leverages the University's size and research strengths to fuel job creation, economic development, and student career success. In conjunction with the initiative, 12 Commonwealth Campuses are sites of new "innovation hubs" that allow individuals and groups to incubate their ideas and develop viable businesses.

For the full text of Dr. Jones' report and companion slides, refer to Appendix II.

[Appendix II]

### **Informational Report on Penn State Wilkes-Barre**

Dr. Charles Davis, Chancellor, presented his report which reflected on the history of the campus; its centennial celebration; community outreach and support; and initiatives for the future.

### **Reports from Standing Committees**

Chairman Masser advised that Standing Committees met in public session on Thursday, July 21, 2016, to consider any information or action items to come before the board at the July 22, 2016 meeting. Any action item considered and voted on in the Committee was included in reports by the respective Committee chairs. The full Board was asked to consider Committee recommendations at the conclusion of each report.

#### **A. Committee on Academic Affairs and Student Life**

Chair Abe Harpster reported that the Committee on Academic Affairs and Student Life met on Thursday, July 21. A quorum of the Committee was not present.

The Committee received the following items for information:

1. Information on Undergraduate Programs
  - a) Digital Multimedia Design delivered through World Campus in the College of Arts and Architecture: New Bachelor of Design
  - b) Energy and Sustainability Policy in the College of Earth and Mineral Sciences: New Bachelor of Science
  - c) Communication Arts and Sciences in the College of the Liberal Arts: New Bachelor of Science
  - d) Portuguese in the College of the Liberal Arts: New Minor
  - e) Management Information Systems at Penn State Erie, The Behrend College: New Data Analyst Option in the Bachelor of Science
  - f) Project and Supply Management at Penn State Erie, The Behrend College: New Minor
  - g) Women's Studies (WOMST) at Penn State Harrisburg: Close Minor

2. Information on Graduate Programs
  - h) Nutritional Sciences in the College of Health and Human Development: New Graduate Degree Program Master of Professional Studies
  - i) John R. and Jeanette Dachille McWhirter Graduate Program in Chemical Engineering in the College of Engineering: Program Name Change
  - j) Engineering Leadership and Innovation Management in the College of Engineering: New Graduate Degree Program Master of Engineering
  - k) Applied Demography in the College of the Liberal Arts: New Graduate Degree Program Master of Professional Studies
  
3. Information on Integrated Undergraduate/Graduate Programs
  - l) Bachelor of Arts in Asian Studies and Master of International Affairs in International Affairs in the College of the Liberal Arts
  - m) Bachelor of Arts in Chinese and Master of International Affairs in International Affairs in the College of the Liberal Arts
  - n) Bachelor of Arts in German and Master of International Affairs in International Affairs in the College of the Liberal Arts
  - o) Bachelor of Science in German and Master of International Affairs in International Affairs in the College of the Liberal Arts
  - p) Bachelor of Arts in Japanese and Master of International Affairs in International Affairs in the College of the Liberal Arts
  - q) Bachelor of Arts in Russian and Master of International Affairs in International Affairs in the College of the Liberal Arts

Robert Pangborn, Vice President and Dean for Undergraduate Education, updated the Committee on enrollment figures, the implementation of general education integrative studies, and information system rollouts. Provost Jones provided an update on graduate programming, the implementation of the University's *Strategic Plan*, and the Task Force on Open Education Resources. Finally, Damon Sims, Vice President for Student Affairs, provided updates on student life and mental health services, including leadership changes within Counseling and Psychological Services and plans for a comprehensive services gap assessment.

The meeting provided an opportunity to learn more about Penn State Wilkes-Barre. Dr. Albert Lozano-Nieto, PSWB Director of Academic Affairs and Professor of Engineering, introduced the following presenters who spoke about campus academic programs and student services: Dr. Francis Derby, Associate Professor of Surveying Engineering; Dr. Dimitrios Bolkas, Instructor, Surveying Engineering; Dr. Garrett Huck, Assistant Professor of Rehabilitation and Human Services; Ms. Melisa Naylor, Instructor of Rehabilitation and Human Services; Mr. Marshall Davis, Instructor in Administration of Justice; Dr. Rick Dierenfeldt, Assistant Professor of Administration of Justice; Ms. Susan Chapell, Eastern Region Employer Engagement Coordinator; Ms. Maureen Ciliberto, Career Services Coordinator; and Mr. Greg Strazdus, student in Information Science & Technology, SGA President, and Career Services Intern. Also present was Ms. Wanda Ochei, Director of Student Services and Engagement.

The Committee received a report from student leader Terry Ford, President of the University Park Undergraduate Association, and 2015-2016 Administrative Fellows Rebecca Cianci, Madhavi Kari and Binh Le shared their perspectives and experiences gained during their mentorship.

There were no action items presented to the Board.

**B. Committee on Audit and Risk**

Chair Walt Rakowich reported that the Committee on Audit and Risk met on Thursday, July 21, with a quorum of the Committee present.

The Committee reviewed the roles and responsibilities matrix, and acknowledged the University Code of Ethics, signed by Joseph Doncsecz, Associate Vice President for Finance and Corporate Controller, and David Gray, Senior Vice President for finance/Business as parties with fiduciary responsibility of managing and protecting University assets. The Committee received a report from David Gindhart, Senior Director for Information Technology in Finance and Business which included a profile of information technology within Finance and Business, followed by the IT transformation strategy and plan. Director of Internal Audit, Daniel Heist, provided an internal audit follow-up report, covering the status of audit issues for which follow-up reports were received as of June 30, 2016. Heist then reviewed the fiscal year 2017 internal audit plan and the internal audit department charter, both of which were approved by the Committee. Finally, Trustee Don Cotner and Gary Langsdale, University Risk Officer, provided an update on the work of the Subcommittee on Risk, resulting in Committee approval of the University Risk Management Plan.

There were no action items presented to the Board.

**C. Committee on Compensation**

Chair Paul Silvis reported that the Committee on Compensation met on Thursday, July 21, with a quorum of the Committee present. Per the duties and responsibilities contained in the Committee's Operating Guidelines, the Committee is charged with recommending for the Board's approval, the President's goals and objectives; to evaluate at least once a year, the President's performance in light of these established goals; to review peer compensation information, which targets total compensation, and based on this information; and to recommend the President's annual compensation. Susan Basso, Vice President for Human Resources, discussed the process for performance review and how changes in compensation for the President, Tier II and Tier IIA executives would occur; plenary materials for a Board review will be circulated in August.

Prior to the public meeting, the Committee met in Executive Session to discuss a personnel matter.

There were no action items presented to the Board.

**D. Committee on Finance, Business and Capital Planning**

Chair Dan Mead reported that the Committee on Finance, Business, and Capital Planning met on Thursday, July 21, with a quorum of the Committee present.

The Committee received the following items for information:

1. Information Items –
  - a) Shavers Creek Environmental Center, Stone Valley Recreation Area
  - b) Roof Replacement for Various Buildings, University Park
  - c) North Henderson Dean Suite Renovation, University Park
  - d) Parking Revenue Control System Upgrades at Various Parking Locations, University Park
  - e) Campus Chilled Water System Connections at Ag Hill and South Plants, University Park
  - f) Recreation Hall Lorenzo Wrestling Complex Hydrotherapy Renovations, University Park
  - g) Campus-wide Energy Savings Projects, Penn State Abington
  - h) Soccer Field Expansion, Penn State Hazleton
  - i) Eiche Library Renovations, Penn State Altoona
  - j) Hiller Building and Café Renovation, Penn State Dubois
  - k) Franco Building HVAC, Lighting, and Sprinkler System Upgrades, Penn State Berks
  - l) College of Medicine First Floor Corridor Refurbishment, The Milton S. Hershey Medical Center
  - m) Air Handling Unit Replacement, The Milton S. Hershey Medical Center



- n) Change the Name of the Theater Arts Studio to the “Advanced Combustion and Energetics Laboratory,” Penn State Altoona
  - o) Change the Name of the Environmental Resource Laboratory to the “Thermal Science Laboratory,” Penn State Altoona
  - p) Naming of the New Data Center, “Tower Road Data Center,” University Park
  - q) Naming of New Apartment Building, “Lions Gate at Penn State Abington A Student Apartment Community,” Penn State Abington
  - r) Naming of the New Residence Hall, “Orchard Hall,” Penn State Brandywine
  - s) Naming of Rooms, Portions of Buildings, and Plazas
  - t) Purchase of Property at 111 North Butz Street, State College Borough
  - u) Purchase of Property at 2175 Fox Hill Road, Benner Township
  - v) Status of Major Construction Programs and Borrowing
2. Action Items –
- w) Summary of Revised Funds
  - x) Summary and Acknowledgement of New Funds and Major Commitments

Chair Mead noted that in advance of Thursday’s meeting, the Committee was provided with opportunities for briefings and inquiry on agenda items, to ensure each Trustee had a comfortable level of information and to address any outstanding inquiries. Two separate webinar offerings, along with accompanying detailed information on the Board portal was supplemented with the University’s administration making itself available to answer questions or dialogue with Trustees seeking additional information. Chair Mead noted that in Informational Item 7 in Appendix 2, Roman numeral II.6, the current cost estimate is increase by \$400,000 to \$2.3 million, to include the energy savings work, which yields an annual savings of \$54,000.

Chair Mead continued with his introductions of Agenda Items for consideration and approval. Agenda Item 2 proposed the naming of the new residence hall in North Halls to Robinson Hall; Agenda Item 3 proposed the naming of the new residence hall in East Halls to Earle Hall. The Committee recommended these resolutions by unanimous vote.

Agenda Items 4 and 5 included the Proposed Operating Budget for the 2017 fiscal year beginning July 1, 2016, and Proposed Tuition and Fees, effective with the 2016 Fall Semester. These items were presented in detail by President Barron. The Committee approved the resolutions for Agenda Item 4 by a 5-to-1 vote with Trustee Oldsey dissenting. The Committee approved the resolutions for Agenda Item 5, by a 5-to-1 vote, with Trustee Oldsey dissenting.

Agenda Item 6 proposed purchase of the cryo-electron microscope at the Millenium Science Complex. The Committee recommended this resolution by unanimous vote.

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

1. RESOLVED, That the conditions governing certain existing scholarships, fellowships, awards, and similar funds previously established at the University, identified in the *Summary of Revised Funds* for the period February 1, 2016 to April 8, 2016, be revoked and that the Officers of the University are authorized to put into effect the revised regulations as requested by the donors.
2. RESOLVED, That the Board of Trustees gratefully acknowledges the generous contributions of the many friends of the University identified in the Summary and Acknowledgement of New Funds and Major Commitments, in support of endowments, funds, and other major commitments as reported to the Committee on Finance, Business and Capital Planning at its meeting of May 5, 2016.

FURTHER BE IT RESOLVED, That the Officers of the University are authorized to convey the Board's appreciation to these generous benefactors who provide opportunities for many students to receive a quality education.

3. RESOLVED, That the new residence hall in North Halls at University Park is named "Robinson Hall."
4. RESOLVED, That the new residence hall in East Halls at University Park is named "Earle Hall."
5. RESOLVED, That the proposed Operating Budget for the University for the fiscal year beginning July 1, 2016, as shown in the 2016-2017 Proposed Operating Budget and Proposed 2016-2017 Tuition and Fees, is approved.

[Appendix III]

6. RESOLVED, That tuition at all locations, effective for the 2016-2017 school year, and as shown in the 2016-2017 Proposed Operating Budget and Proposed 2016-2017 Tuition and Fees, is approved.

[Appendix III]

7. RESOLVED, That the purchase and installation of a cryo-electron microscope for the Millennium Science Complex at University Park, is approved at a cost of \$8,600,000.

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

A motion to approve the foregoing resolutions 1, 2, 3, 4 and 7, as recommended by the Committee on Finance, Business and Capital Planning was made and seconded and approved by the Board.

A motion to approve the foregoing resolution 5, as recommended by the Committee on Finance, Business and Capital Planning was made and seconded; Chairman Masser called for a roll call vote on the resolution which was approved by the Board, 28-4. Trustees Brown, Lubrano, Oldsey, and Pope cast dissenting votes.

A motion to approve the foregoing resolution 6, as recommended by the Committee on Finance, Business and Capital Planning was made and seconded; Chairman Masser called for a roll call vote on the resolution which was approved by the Board, 26-6. Trustees Brown, Lubrano, Oldsey, Pope, Redding, and Tribek cast dissenting votes.

**E. Committee on Governance and Long-Range Planning**

Chair Betsy Huber reported that the Committee on Governance and Long-Range Planning met Thursday, July 21, with a quorum of the Committee present.

The Committee reviewed the Emeriti Trustee appointment process and established a subcommittee to make recommendations to the Committee in September for consideration and possible Board action. The Committee also developed a foundation for moving forward with a Board skill set analysis; discussed proposed changes to the Corporation for Penn State *Bylaws*; and discussed plans for the January 2017 Board Retreat.

UPUA Vice President Katie Jordan initiated discussion about student government representation on standing committees; student leaders will develop a proposal to assist with continued discussion

in September. Finally, the Committee discussed possible amendments to the Board's Expectations of Membership as set forth in the *Standing Orders*. New drafts will be circulated to the Committee for review, discussion, and possible action in September.

There were no action items presented to the Board.

**F. Committee on Legal and Compliance**

Rick Dandrea, Chair of the Committee on Legal and Compliance, reported that the Committee met on Thursday, July 21, with a quorum of the Committee present.

The Legal and Compliance Committee discussed University filings of licenses and permits from the Pennsylvania Liquor Control Board; the action considered was a single, yearly authorization to proceed with any of the needed filings that apply to various licenses and permits previously approved by the Board; the resolution states that should the University seek any material changes to the terms and conditions of previously approved permits or licenses, those changes would have to be submitted to the Board for consideration and approval. The Committee recommended this resolution by unanimous vote.

Regis Becker, University Ethics and Compliance Director, provided an overview his top 10 list of critical compliance areas. Athletics Integrity Officer Julie Del Giorgio provided an informative overview of the University's athletics integrity program. Finally Steve Dunham, University General Counsel, led a discussion of the ways in which the lawyers in the Office of General Counsel advance the mission of the University.

The Committee on Legal and Compliance recommended that the Board of Trustees approve the following resolutions:

1. 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

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.

A motion to approve the foregoing resolution, as recommended by the Committee on Legal and Compliance was made and seconded and approved by the Board.

Following the public meeting, the Committee received a privileged legal update in Executive session.

**G. Committee on Outreach, Development and Community Relations**

Ryan McCombie, Chair of the Committee on Outreach, Development and Community Relations, reported that the Committee met Thursday, July 21, with a quorum of the Committee present.

The Committee received a report from Kevin Steele, President of the Penn State Alumni Association, who updated the Committee on Alumni Association activities from the spring and provided a preview of the Association's draft Strategic Plan. Paul Clifford, Executive Director of the PSAA, described efforts for student engagements and development priorities. Mike DiRaimo, Vice President of Government and Community Relations, provided a budget and legislative report, along with a lobbying update from Zack Moore.

Craig Weidemann, Vice President for Outreach and Vice Provost for Online Education, provided updates on several key projects, including renovation and expansion plans for Shaver's Creek Environmental Center, and a community engagement project commemorating the 50th anniversary of the Vietnam War. Finally, Senior Vice President for Development and Alumni Relations, Rod Kirsch, reported on the status of campaign planning.

There were no action items presented to the Board.

**Report on Election of Officers**

Chairman Keith Masser provided personal remarks as outgoing Chair of the Board. Following these remarks, Dr. Poole reported the results of the elections.

For the position of Chair there were 34 votes cast. Eighteen votes were necessary for election. Trustee Lubert received 34 votes. For the position of Vice Chair, there were 34 votes cast, 18 were necessary for election. Trustee Dambly received 20 votes. Trustee Goldstein received 14 votes.

For each the Board Officer positions, Secretary, Associate Secretary, Assistant Secretaries, Treasurer, and Assistant Treasurer, there were 34 votes cast. Eighteen votes were necessary for election; each of the incumbents and the new candidate received 34 votes.

Ira M. Lubert was confirmed as Chair of the Board, effective immediately.

Mark H. Dambly was confirmed as Vice Chair of the Board, effective immediately.

The election of all persons nominated to fill the offices of Secretary, Associate Secretary, Assistant Secretaries, Treasurer, and Assistant Treasurer of the Board was confirmed, effective immediately.

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

Chair Lubert noted two At-Large Trustee vacancies on the Executive Committee. He recommended the selection of Trustees Don Cotner and Al Lord to fill the vacancies, and asked that the Committee on Governance and Long-Range Planning be convened by Chair Betsy Huber to consider this recommendation.

A motion to approve the foregoing recommendation was made and seconded and approved by the Committee on Governance and Long-Range Planning.

The full Board was called into session. A motion to approve the recommendation of the Committee on Governance and Long-Range Planning to appoint Trustees Cotner and Lord to the Executive Committee to fill At-Large Trustee vacancies was made and seconded and approved by the Board.

Board of Trustees  
7/22/2016

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Following his election acceptance remarks, Chair Lubert called for other matters to come before the Board.

Trustee Anthony Lubrano provided comments as included in Appendix IV.

[See Appendix IV]

There being no other business, the public meeting was adjourned at 4:10 p.m.

The meeting is available in its entirety at <https://www.youtube.com/watch?v=ij-s5KWmZrU>

Respectfully submitted,

Janine S. Andrews  
Associate Secretary,  
Board of Trustees

## Remarks from President Eric J. Barron

### Meeting of the Penn State Board of Trustees, Penn State Wilkes-Barre, Lehman, PA

July 22, 2016

"How about the staff of this campus? Are they not remarkable people? Every single one of them smiling and happy and proud of their institution. We also have a group of police officers that I know each and every one of us appreciates the fact that they're here and they're making sure that we're safe. And although we can give them a round of applause right here, I hope as you walk out the door and you see one of them, you thank them for being here. They are great employees and I certainly appreciate them very much, but if we can give them a round of applause.

"Now, before I begin my formal report, I also want to take a moment to recognize the extraordinary generosity of long time Penn Staters, Jack and Jeanette McWhirter. On June 22nd, they gave \$10 million to benefit the Department of Chemical Engineering. This gift, combined with their prior year gifts and commitments to the department, bring the total to over \$20 million. In honor of their generosity, I'm pleased to announce the naming of the John R. and Jeanette Dashiell McWhirter Graduate Program in Chemical Engineering. Please note that this item is included in Appendix I of the Board *Agenda* under information on graduate programs. This naming will have profound meaning for everyone affiliated with chemical engineering at Penn State, past, present, and future. Doctor Jack McWhirter is one of the American Institute of Chemical Engineers 100 eminent chemical engineers in a modern era. And Jeanette McWhirter brings her own significant family legacy at the University to the department. We're very pleased to honor the McWhirter's transformative giving in this way. Jack and Jeanette are a visionary couple whose investment in graduate education is truly inspiring. On behalf of Penn State, I'm proud to recognize and share their philanthropic leadership with our board. If we can give them a round of applause.

"Now, I'd like to begin my formal remarks, During the past two years, I've heard many individuals on this Board and outside the Board who ask questions about the metrics and measures of productivity that signal what is the excellence of Penn State University. And I thought I would take this time to point out what some of those measures are and to give you a sense of how Penn State University is performing. First, the University, for almost 60 years has been a member the most select group of research universities in the United States, the Association of American Universities. We become a member in 1958. These are the 62 most outstanding leading research universities, which are distinguished by the breadth of their programs and the quality of their program research and graduate education. Membership is very selective; that 62 comes from more than 2300 colleges and universities in this country and in Canada. Just as a benchmark, AAU universities award nearly half of all US doctoral degrees; 55% of those are in science and engineering. The AAU defines their membership by a whole set of tiers of multiple metrics on the quality of research and education in the universities; our first metric that defines Penn State is its membership. But, it's interesting to look at a comparison with other AAU public universities. And what I would like to point out to you is that if you look at this list on the first slide, on your left is the ranking of overall quality of these public universities. And what you see is that Penn State University is tied with the University of Florida at 13 or 14, that's depending on how you want to do that tie. We are clearly in a very upper echelon in terms of quality ranking for public universities. The interesting thing is that on the right side of the equation are the rankings that are based on faculty resource ranks, the degree of investment that a university is capable of making in its educational programs and its faculty enterprise. What you see is that we are in the top 50 in terms of quality for all universities, but we're not even in the top 100 in terms of faculty resource availability. This already tells you that Penn State delivers great quality for the investment that we have, to be 102 in resources but to be 47 in terms of the ranking is quite a statement. This is another way to look at it. This includes both publics and privates. It is the top 50 universities in the country. And if you look at this graph, what you see is an extremely strong correlation between the investment that you make in a university and the quality ranking of the university. And if you look carefully, what you see are four dots that are in the lower right

hand corner that are the greatest distance from that line. One of those dots is Penn State University. The farther you are from that line as long as you're below the line, places you as the most efficient in delivering quality of the top 50 universities in this country. There are four universities that stand out. And one of those is Penn State University because of that 102 rank for -- in terms of resources for quality rank of 47. You can also see how tightly bundled and what is -- a line appears that if you are in the top 30 or so universities. It basically says that the investment in a university is necessary in order to ensure that you have a quality university. But, we have a lot to be proud of in just looking at that diagram compared to the top 50 universities in the country, very efficient and delivering quality, and quality is what helps our students be successful. We can also look at average faculty salary by rank, instructor, institution with professor, associate professor, and assistant professor. It is interesting here because you see that our salaries for our faculty among publics in the AAU is right about 13th to 14th. Thirteenth or 14th is what our quality rank is. This is a case where we have less investment in the educational enterprise compared to some of our peers, yet maintain rank. But, clearly we've worked hard to make sure that we maintain faculty salaries because we know that having great people as part of this University contributes to a great education and the successful outcomes that occur even if you don't have quite as much money as your peers. We see many different areas of teaching excellence. Senior faculty that are in the classroom, for example, a very low student-teacher ratio, 16 to 1 at University Park and an average of 15 to 1 at the Commonwealth Campuses. I need to pause here and tell you that the data that is provided for national rankings in the AAU for comparison are University Park. But I'm going to work hard to introduce the Commonwealth Campuses in here even though the national database is one that is focused on University Park in order to make an appropriate comparison with other campuses. Penn State emphasizes and rewards teaching excellence in the tenure and review process and it shows in many different ways. Here is the student-faculty ratio ranking compared to those very same AAU publics. And in this case, you see that we are one, two, three, four, five, six, seven, eight, nine, 10, 11th in terms-- you think I'd written that number down to make it a little easier for me to give this, wouldn't you? But 11th in terms of student faculty ratio and then we're actually tied there for ninth, if you want to count it that way. This, again, is really important because what it says is that where we haven't scrimped is making sure that we have a faculty that's appropriate for the size for our student body. We haven't scrimped in terms of making sure that we had appropriate salaries or that we have faculty numbers that are appropriate. We're obviously looking for places to save money elsewhere in terms of the educational budget of the University, again, something to be very proud of. If we look at class size, our expectation would be that we would have many, many classes that are large and with so many students we would have trouble doing small sections. But here, we see that more than 65% of our classes are less than 30 students. That also is a commitment to teaching and the educational process. We rank second in terms of the number of the percentage of small classes among universities that have more than 45,000 students. Clearly, you can see with the blue line there being the size of the university that the size is a factor in terms of an institution's ability to teach small classes. But we are very competitive in that space and we can also look at it in terms of classes that are large greater than 50 students. And what we see is for publics of greater than 45,000 enrollment, we are tied for the lowest percentage of classes that have more than 50 students. And you can see on that list that Indiana, Illinois, Minnesota, Rutgers, Washington, Ohio State, Michigan State, Texas, Texas A&M very fine students. Very fine institutions with large student bodies have more -- significantly more of their classroom experiences that are great-- greater than 50. This is an institution that is putting those dollars in categories that make the most difference for our quality ranking. We can look at average undergraduate class size compared to our peers within in the State of Pennsylvania and the state-owned universities. And here we see for other state related that as a large institution, our class sizes are slightly higher than those at Pittsburgh and Temple. Another thing to be incredibly proud of in this space is our graduation and retention rate. I've told this group many, many times that our graduation and retention rate is a distinguishing factor of the quality of Penn State University. *US News and World Report* predicts that our student body will graduate at the rate of 71%, but it graduates at the rate of 86%. That differential of 15 percentage points is higher than any other institution, top ranked institution in this country. And as you can see here, our graduation rate is one of the highest ranked elements in comparison with other AAU public universities and certainly higher than our quality rank. Again, a strong indication that we're investing the dollars in this University in the right places to make sure that our students are retained,

to make sure that they graduate, to make sure that they don't have too large a class, to make sure that our faculty are competitive in salary so we can retain the best and the brightest, yet our resource rank is substantially lower. I also want to make sure that you realize that on every campus at Penn State University, they're national award winners. These are just a couple of examples: Laurie Grossman from Berks named 2014 Outstanding Baccalaureate Professor of the Year by the Carnegie Foundation for the Advancement of Teaching; Laura Guertin at Brandywine, 2015 Distinguished Teacher by the Pennsylvania Geographical Society; Rebecca Strzelec of Altoona named 2016 Penn State Laureate; Michael De Rosa at Brandywine honored by the American Chemical Society for 50 years of service; Simon Brooner from Harrisburg receiving the Kenneth Goldstein Award for Lifetime Academic Achievement from the American Folklore Society. In every place at Penn State, you find signs of the quality of our faculty.

"Another part of this equation of measuring performance of the University as research excellence, we just passed another year, and it's another year, six in a row, of research expenditures of over \$800 million. Now, I was sitting there pressing our VP for Research, "tell me the number, tell me the number," because it is a substantial increase over last year and bumping up against the highest research expenditure amount in Penn State's history, despite considerable stress at the federal and state level in terms of budgeting. That's a remarkable statement about the quality of our programs. If we go back a year, 10 disciplines ranked in the top 10 of National Science Foundation, total Science and Engineering Research and Penn State was ranked 20th overall in research. That ranking will improve this year. Penn State library is ranked ninth among North American research libraries. We're ranked in the top 20 of Doctoral/Research Universities receiving Fulbright Awards. Everywhere you look is a level of excellence. Penn State Children's Hospital has been ranked among the top 50 US hospitals in six different specialties. And we remember that the AAU is composed of the 62 top research universities in this country. So I want to put up there on this diagram the Annual Research and Development Expenditures of Penn State in the blue line; last year \$800,773,000. This is significantly above the average of the other AAU universities at just over 600 million. We can also look at the rankings of the quality of individual programs. Penn State Research Doctoral Programs rank within the top 10% or total programs in the field in many programs. What you're looking at here is a diagram where the tall bar is the number of program. So for instance chemistry, has about a 175 programs in the country that they're ranked. The ranking that is done by the National Research Council gives a range. They no longer say you're number two; they give you a range based on a lot of different factors. But what I want you to see in that blue line is the number of programs in which Penn State is ranked from one to something, always sitting there within the very top echelon of programs, the top 10% in their field. So, here are the top 10% in faculty research activity. Looking at those fields, in anthropology, in chemistry, in electrical engineering, kinesiology, meteorology, physics, sociology, mathematics, materials science, geosciences, astronomy, astrophysics, plant biology, this is a tremendous list that tells you that you have some of the finest programs, doctoral programs, in this country. And here is the second ranking of student support and outcomes. And again, a very large number of programs for which Penn State ranks in the top 10% in the nation. I've mentioned in the past that if you take particular areas of critical importance to society like energy, and you divide energy research and the energy policy, economics and law, fossil fuels, renewable energy, efficiency and effective use and environmental issues, Penn State University is the only the university in the country that ranks in the top five in all five categories. Of course, MIT and Berkeley are four out of five. But Penn State, good company, only university in the top five in all five categories. We can look at metrics like publications and citations; what are we producing?; how much of our faculty are producing?; who is citing those? And you see that Penn State, again, is in the very upper echelon in terms of the publication rates of its faculty with a substantial number of citations.

"You might find this diagram also interesting. It compares what the faculty say they're working on, with Lincoln, Pittsburgh, Temple and the state-owned universities. And I would call your attention to two components of this, one in orange at the bottom. Our faculty are spending more time in direct contact with the students than any other public institution in the state. It is also interesting that our faculty are saying they're spending less time on committees and bureaucratic activities than any other public university in the state. This tells you something of why our faculty are able to achieve what they're achieving. We have the most balanced portfolio of research, instructional support and student contact in this state. I think that's



something to be extremely proud of. Every time you're spending that time in bureaucracy and committees, that's a time that you're taking away from the student population. There is also a significant intersection at Penn State between teaching and research. This is part of our land-grant mission. We offer a lot of opportunities for undergraduates. In the last five years, nearly 8,000 students completed an undergraduate course related to research. There are more than-- last year, more than 610 financial awards supporting 974 undergraduate student research experiences, more than 50 Erickson Discovery Grants that were awarded each summer for research. And the faculty incorporate this research as well into the curriculum. This just gives you an idea, not of all the research projects that are going on. These are actually research-- undergraduate research that is funded by federal and state research. About 1.7 million last year in those 610 projects. And again, it crosses the Commonwealth, 261 research sections for undergraduates within the Commonwealth Campuses with about 800 enrollment; and faculty participation and sponsored awards of \$62 million. That \$62 million exceeds the research budgets of an enormous number of universities. And that's going on in our Commonwealth Campuses.

"There are a lot of other highlights for our campuses. *US News and World Report* ranked Penn State's online IMBA program and online graduate business programs, administered by Behrend as seventh in the nation. Penn State Shenango was ranked the best bang for the buck by *Washington Monthly*. Seventeen Commonwealth campuses were named as Military Friendly. Two campuses were named to the President's Higher Education Community Service Award, a federal recognition. So, here is the bottom line. We have faculty doing more with less. This is indicated by the fact that we're top 50 in terms of our quality. But we're not even top 100 in terms of our faculty resource ranking. We're excelling in teaching as reflected by an absolutely outstanding retention and graduation rate. And rates that far exceed what is predicted based on our population of students. We excel in research, well above average for the AAU universities, which are the top 62 research universities in the country. We work hard to spend money where it counts to maintain excellent faculty and to maintain an excellent student-faculty ratio. That investment where it counts is what yields those exceptional outcomes for our students. And our faculty are spending more time in direct contact with our students than the other publics in this state, and spending less time on bureaucracy. Again, this is a statement of how it is that we can have a university that is doing as well as it is doing.

"And the last part, every part of our Strategic Plan, every part of our capital plan, is designed to promote even higher levels of excellence. The open doors effort is to take what is already an outstanding retention and graduation rate and take to the very top of publics in this country. Many, many of those-- many of the elements in terms of food, energy and water security, or human health are all designed to increase that research productivity, to increase opportunities for undergraduate, to increase the opportunity for a greater set of publications and greater service to the nation. So, I hope that this has been a useful presentation for you as many of you have asked, how do I know how good Penn State is? And this has been a comparison with the top universities in the country. And I would submit you have a University that does quite well in that category.

"Thank you very much. Mr. Chairman; I'm happy to take questions."

# Measures of Productivity

President's Report to the Board of Trustees

July 22, 2016



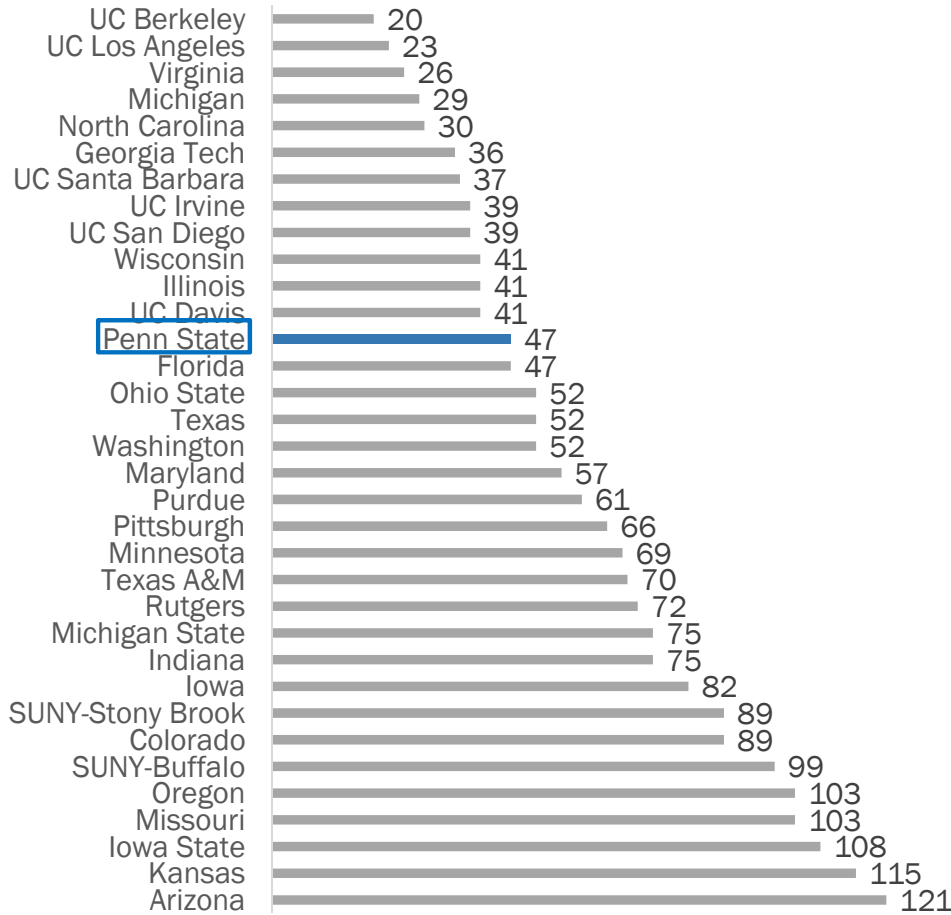
**PennState**

# Member of AAU Since 1958

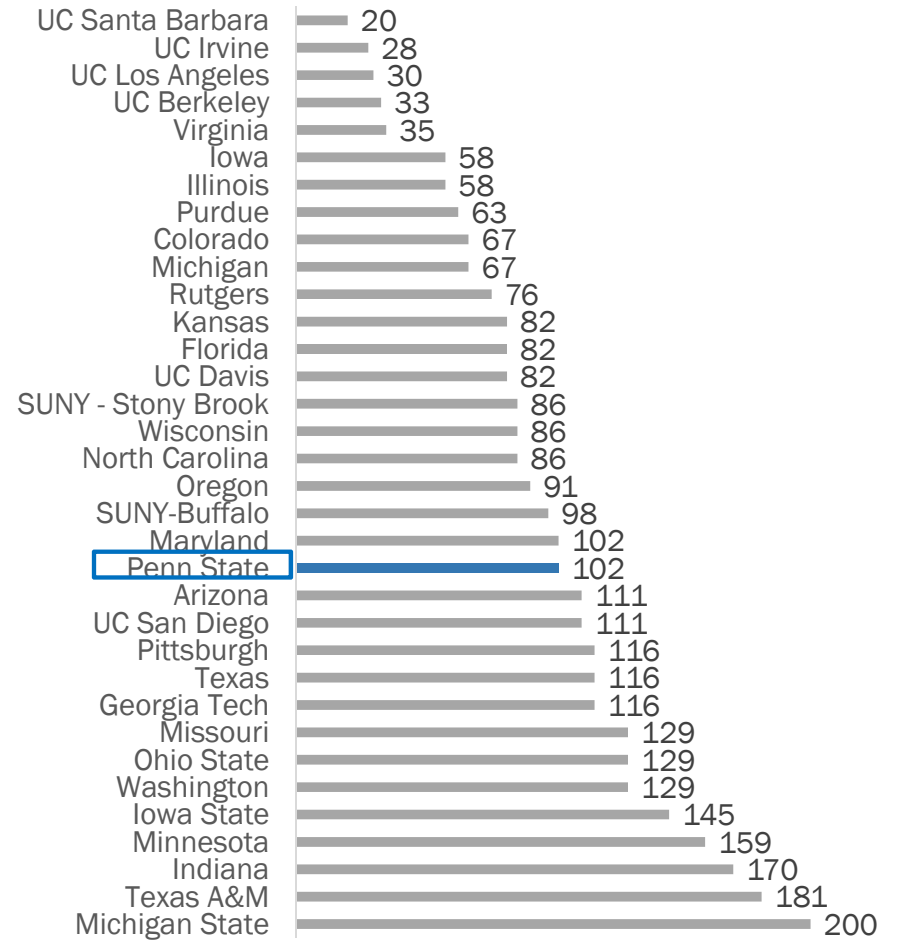
- The Association of American Universities (AAU) represents 62 leading research universities distinguished by the breadth and quality of their research and graduate education programs.
- Membership is very selective, drawing from 2,300+ colleges and universities in US and Canada.
- AAU universities award nearly half of all US doctoral degrees; 55% of those are in science and engineering.



## Ranking of AAU Public Universities 2016 US News



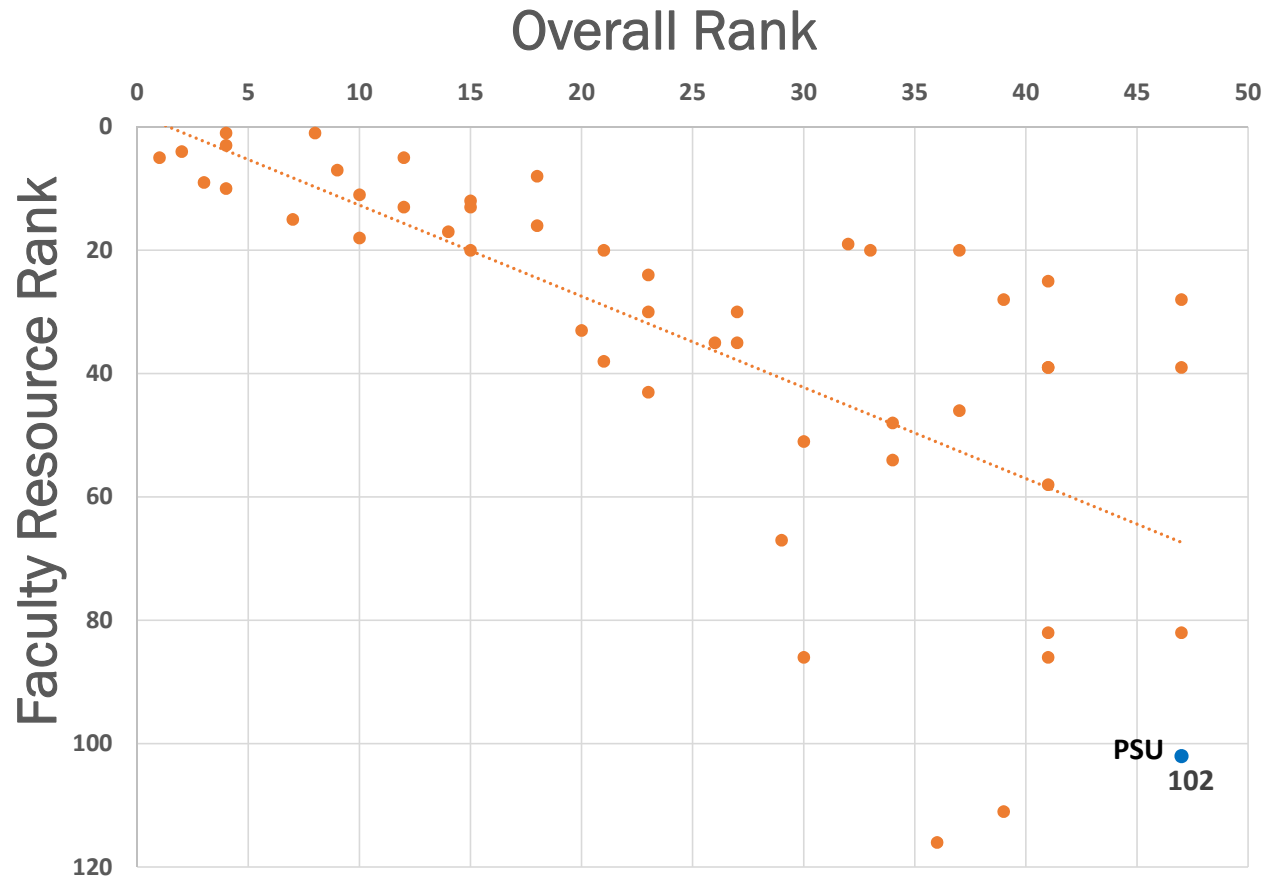
## Faculty Resource Rank 2016 US News



Source: 2016 US News & World Report Best Colleges Rankings

# 2016 *US News & World Report* College Rankings

## Includes Publics and Privates



Source: 2016 US News & World Report Best Colleges Rankings

## 2015-16 Average Faculty Salary by Rank (AAU Publics)

Institution	Professor	Institution	Associate Professor	Institution	Assistant Professor
UC Los Angeles	\$187,817	UC Los Angeles	\$122,630	UC Berkeley	\$109,550
UC Berkeley	178,881	UC Berkeley	115,915	Georgia Tech	99,454
Michigan	167,500	Michigan	111,600	Washington	98,100
Virginia	164,948	Virginia	111,283	UC Los Angeles	97,898
UC Santa Barbara	161,332	UC San Diego	107,956	Michigan	95,300
UC San Diego	159,770	Georgia Tech	107,028	Virginia	94,888
UC Irvine	159,416	Maryland	106,606	Texas	93,880
Rutgers	158,800	UC Davis	104,996	UC San Diego	92,305
Texas	154,809	Washington	104,800	Indiana	91,756
Maryland	154,515	Wisconsin	104,100	Illinois	91,256
Georgia Tech	154,427	Rutgers	104,000	UC Irvine	90,739
UC Davis	151,448	SUNY - Stony Brook	103,564	Maryland	89,679
<b>Penn State</b>	<b>150,905</b>	North Carolina	101,800	UC Davis	89,266
North Carolina	150,600	UC Irvine	101,658	<b>Penn State</b>	<b>89,145</b>
SUNY - Stony Brook	150,381	<b>Penn State</b>	<b>101,510</b>	SUNY - Stony Brook	88,438
Illinois	147,957	Texas	100,478	Wisconsin	87,700
Pittsburgh	146,278	UC Santa Barbara	100,241	Colorado	87,509
Ohio State	145,472	Illinois	99,515	North Carolina	87,100
Michigan State	145,416	Pittsburgh	98,195	Texas A&M	86,946
Indiana	138,792	Ohio State	97,952	Ohio State	85,966
Texas A&M	138,415	Michigan State	97,191	Minnesota	85,804
Minnesota	137,950	Colorado	96,354	UC Santa Barbara	85,651
SUNY-Buffalo	137,718	Texas A&M	96,149	Purdue	84,884
Iowa	136,810	Minnesota	95,835	Oregon	84,344
Purdue	134,763	Purdue	95,361	Iowa	83,815
Colorado	134,364	SUNY-Buffalo	94,635	Rutgers	83,500
Florida	133,924	Indiana	94,065	SUNY-Buffalo	82,252
Wisconsin	133,800	Iowa	93,414	Iowa State	82,001
Washington	133,800	Iowa State	92,425	Pittsburgh	80,157
Oregon	127,486	Oregon	91,499	Florida	79,095
Iowa State	126,722	Florida	89,261	Kansas	76,830
Kansas	125,963	Arizona	86,923	Michigan State	76,597
Arizona	124,528	Kansas	82,604	Arizona	76,352
Missouri	122,967	Missouri	80,803	Missouri	69,606

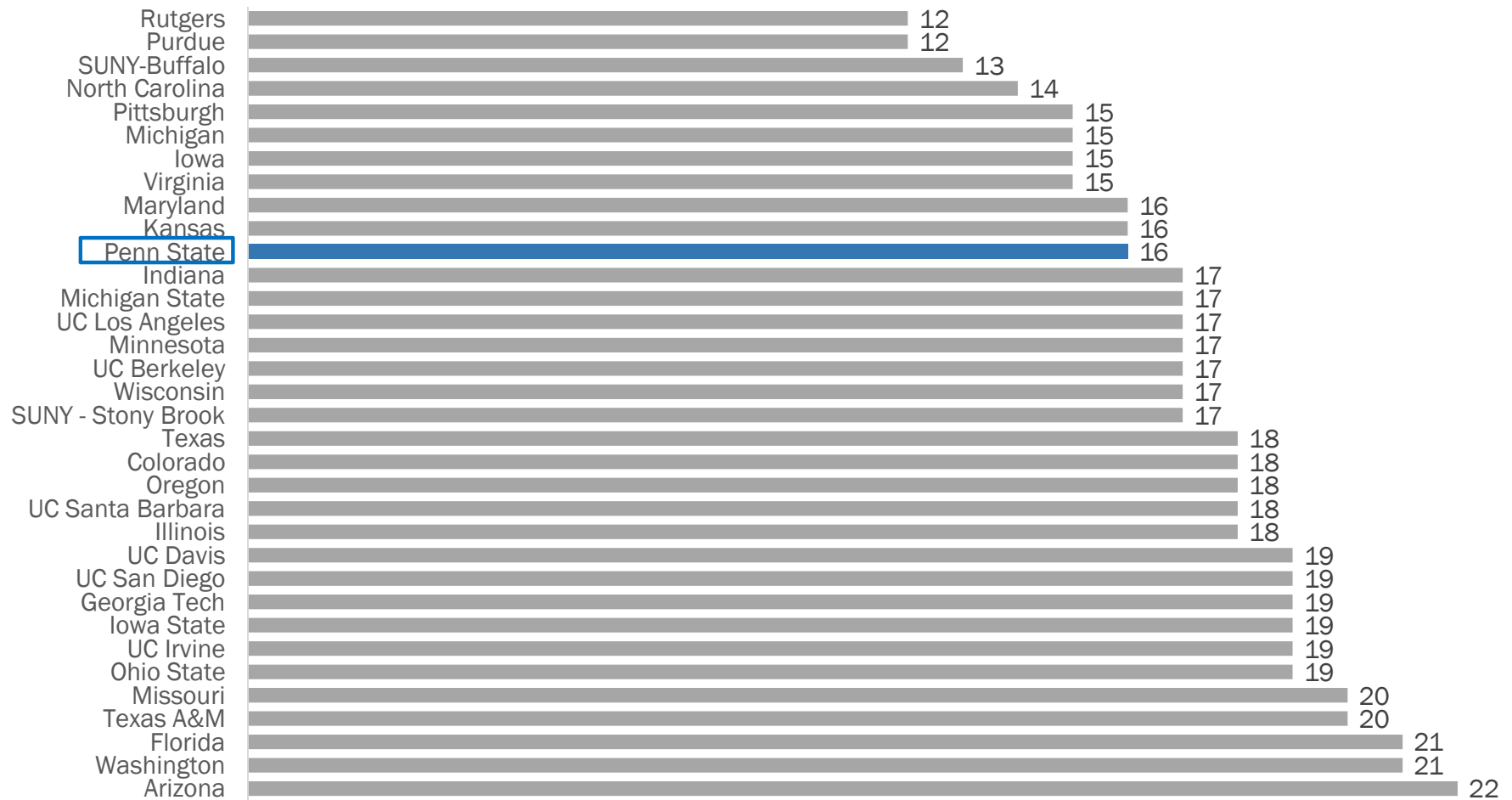
Source: American Association of University Professors (AAUP) Faculty Salary Survey

# Teaching Excellence

- Senior faculty in the classrooms
- Low student/teacher ratio (16:1 at UP; average 15:1 at CC)
- Penn State emphasizes/rewards teaching excellence in the tenure review process



# 2015-16 Student to Faculty Ratio (AAU Publics)

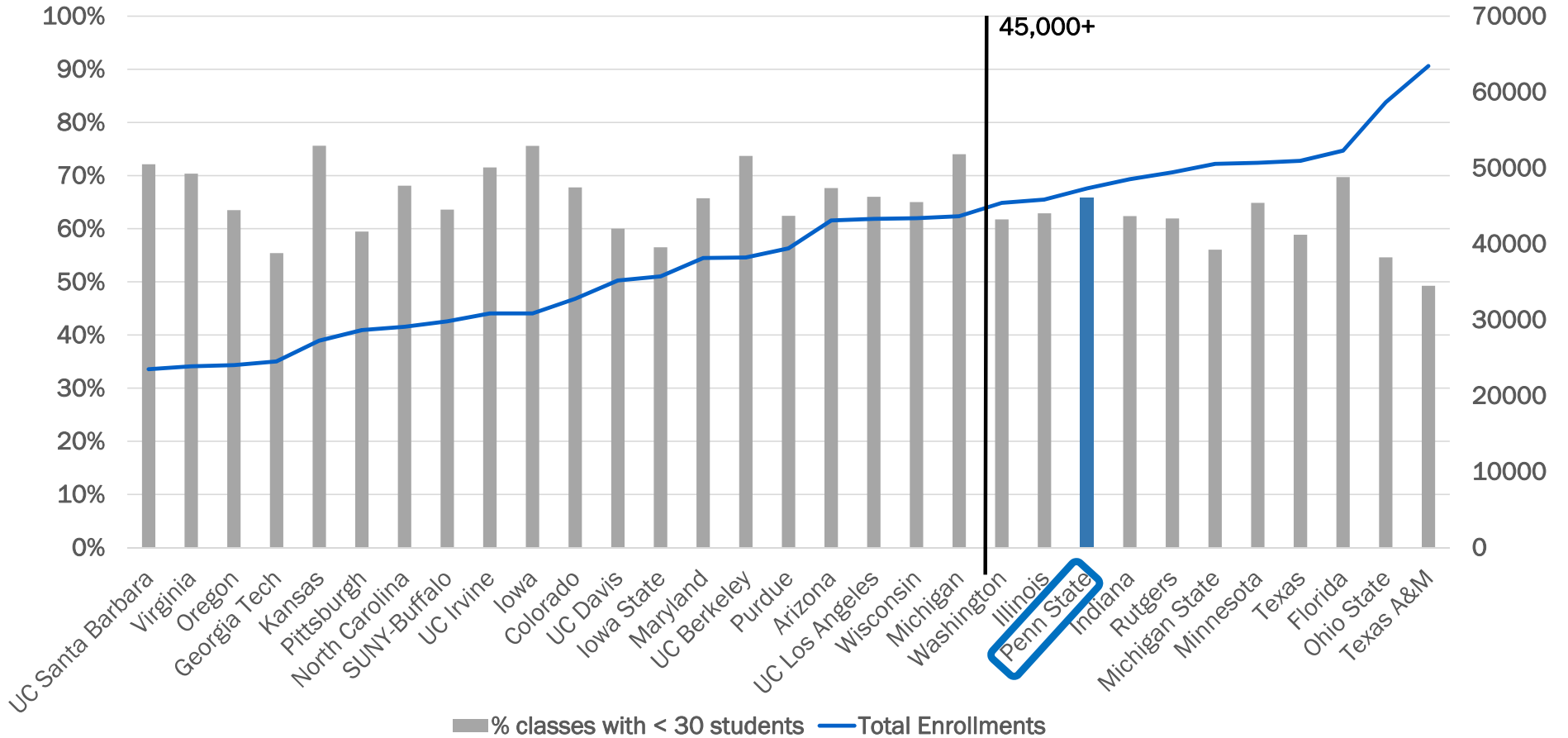


Source: Institution's Common Data Set (2014-15 data used when 2015-16 not available)



# 2015-16 Class Section Size vs. Enrollment

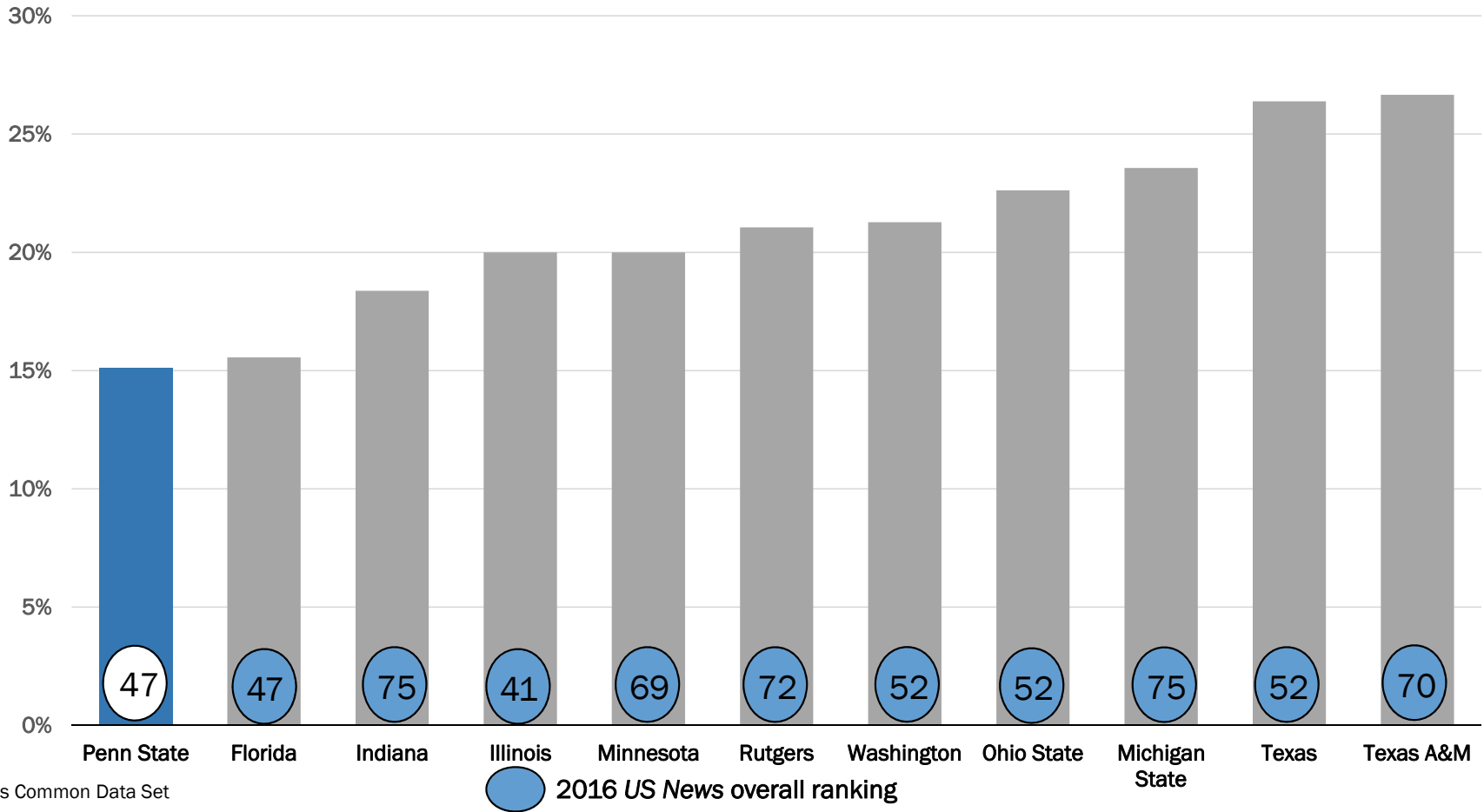
## % of Classes with < 30 Students (Select AAU Publics\*)



Source: Institution's Common Data Set \*Data unavailable for SUNY - Stony Brook, UC San Diego, Missouri

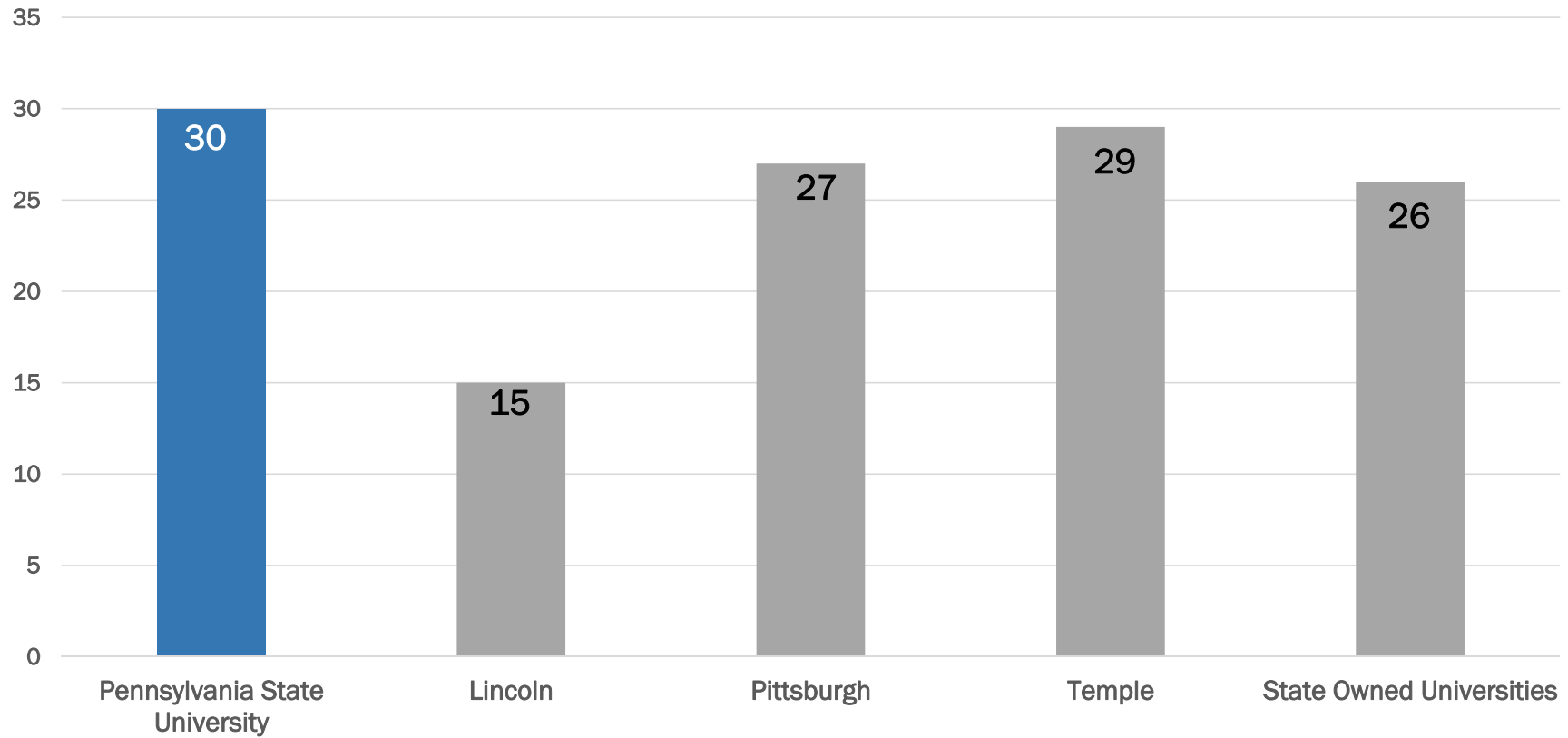
# % of Classes with > 50 Students 2015-2016

## AAU Publics with Enrollment over 45,000



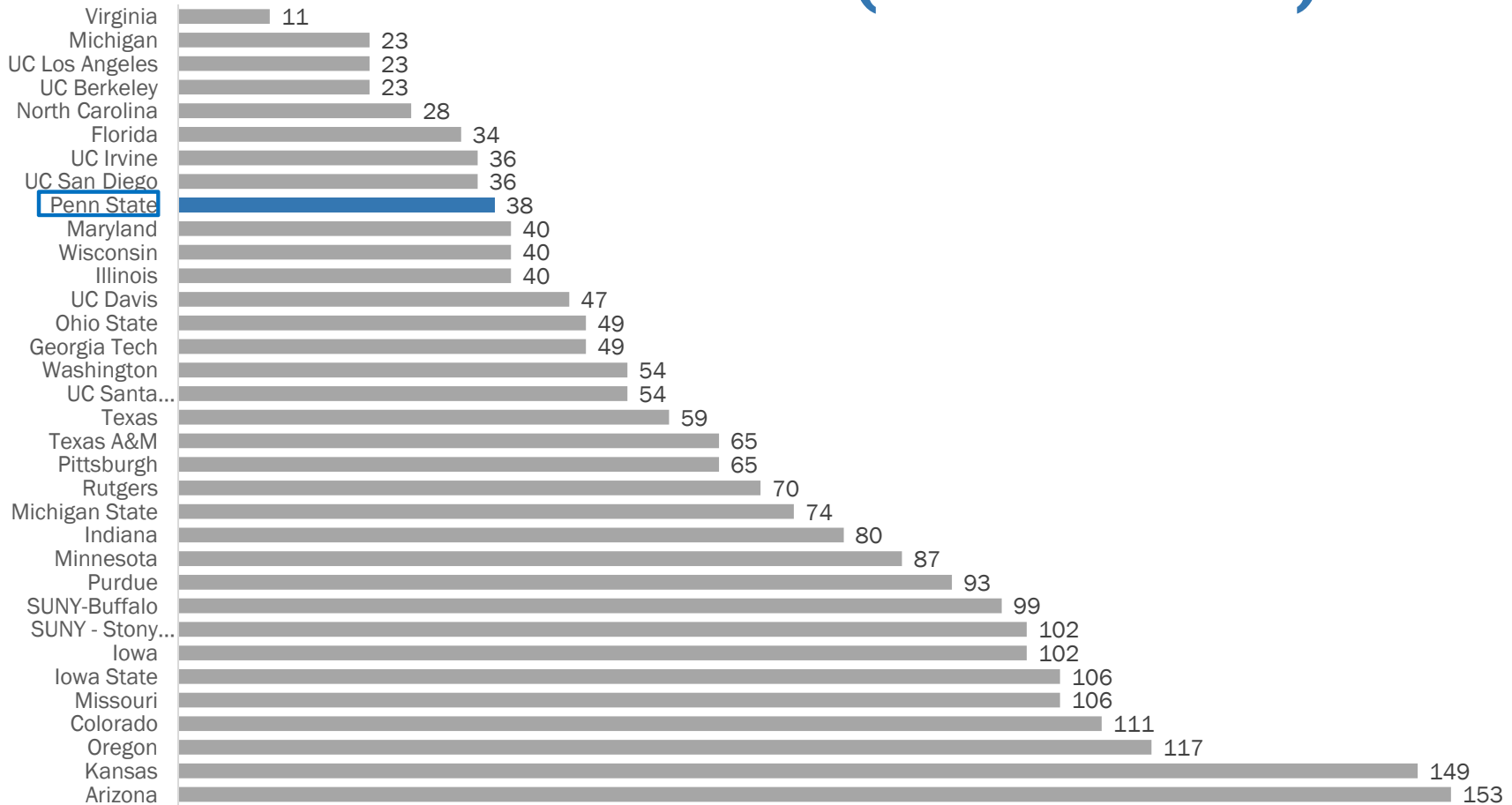
Source: Institutions Common Data Set

# Average Undergraduate Class Size 2014-15



Source: Joint State Government Report, February 2016, Table

# Graduation & Retention Rank 2016 US News (AAU Publics)



## Outstanding Faculty (a few examples)

- Laurie Grobman (Berks) named 2014 Outstanding Baccalaureate Professor of the Year by the Carnegie Foundation for the Advancement of Teaching
- Laura Guertin (Brandywine) given 2015 Distinguished Teacher Award by the PA Geographical Society
- Rebecca Strzelec (Altoona) named 2016-17 Penn State Laureate
- Michael De Rosa (Brandywine) honored by American Chemical Society for 50 years of service
- Simon Brooner (Harrisburg) received Kenneth Goldstein Award for Lifetime Academic Leadership from the American Folklore Society

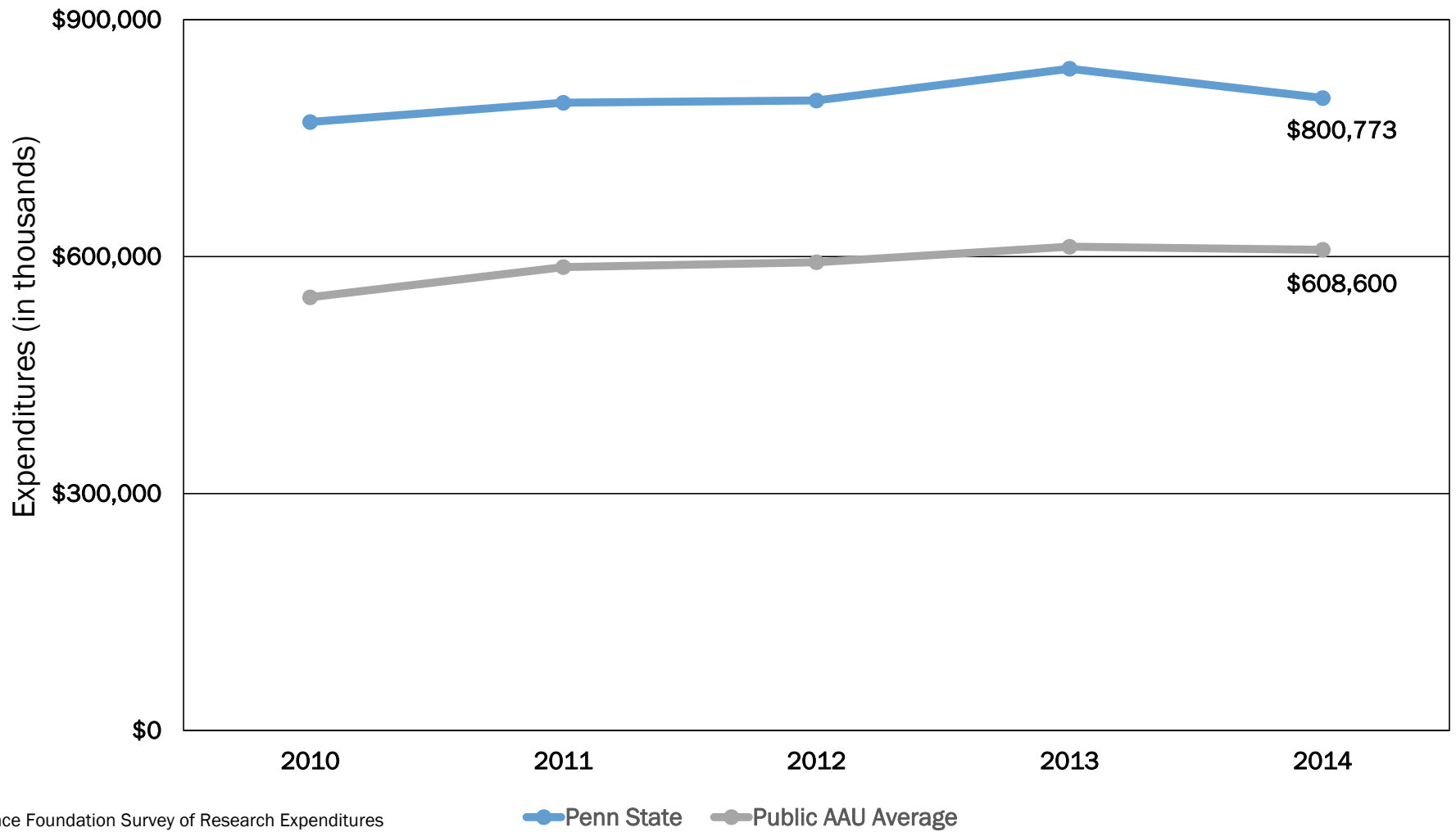


# Research Excellence

- 6 years of research expenditures of \$800+ million
- 10 disciplines rank in the top 10 of National Science Foundation Total Science and Engineering Research Expenditures; Penn State ranks 20<sup>th</sup> overall.
- Penn State University Libraries rank 9<sup>th</sup> among North American research libraries.
- Ranked in Top 20 Doctoral/Research Institutions for receiving Fulbright Awards.
- Penn State Children's Hospital has been ranked among the top 50 U.S. hospitals in six specialties.

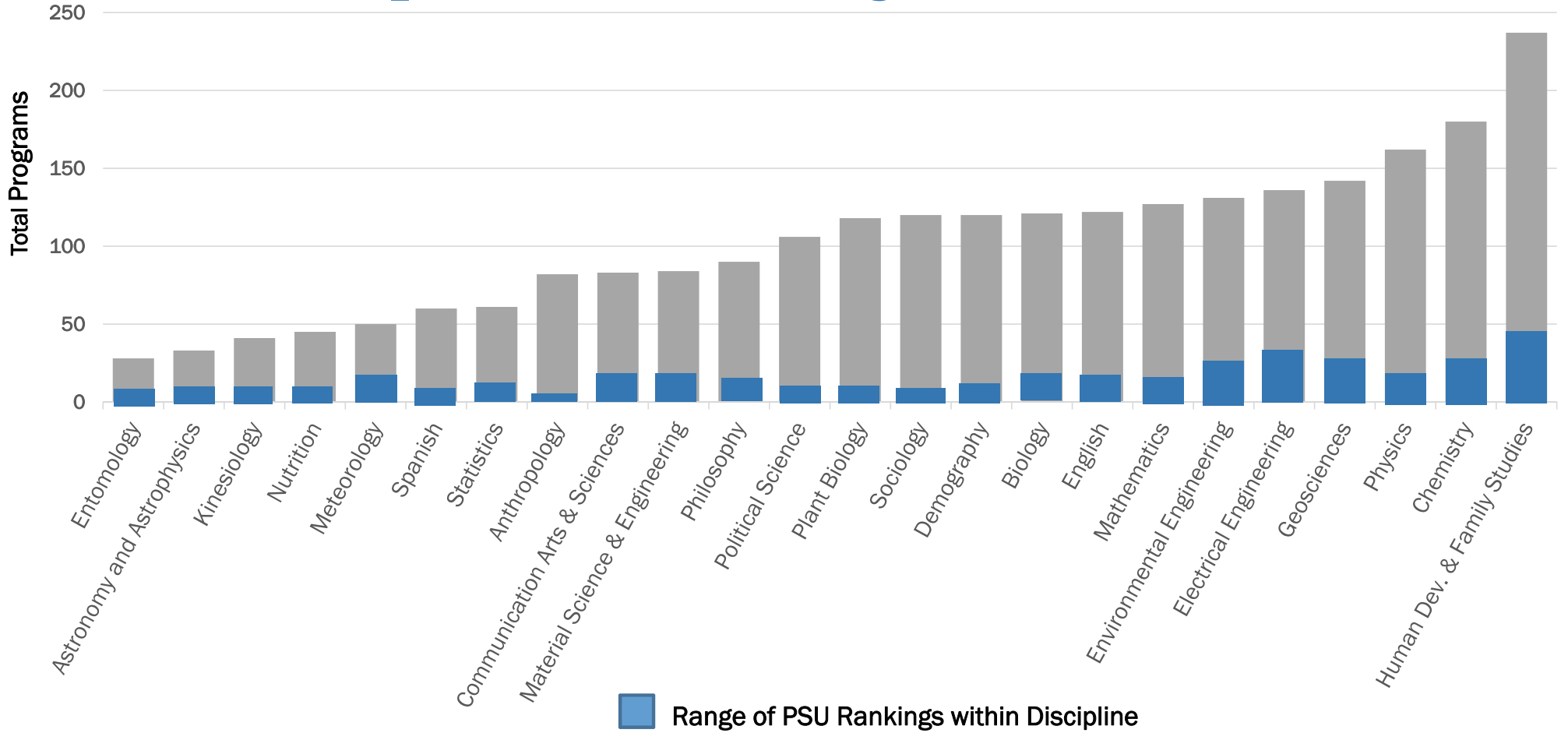


# Annual Research & Development Expenditures



Source: National Science Foundation Survey of Research Expenditures

# Penn State Research Doctorate Programs Ranking within the Top 10% of Total Programs in the Field



Source: 2010 National Research Council (NRC) Rankings



## Penn State Research Doctorate Programs Ranking within the Top 10% of Total Programs Ranked in the Field

Dimensional	Category of Faculty Research	Activity
Anthropology	Astronomy and Astrophysics	Biology
Chemistry	Communication Arts & Sciences	Demography
Electrical Engineering	English	Entomology
Environmental Engineering	Geosciences	Human Development & Family Studies
Kinesiology	Materials Science and Engineering	Mathematics
Meteorology	Nutritional Sciences	Philosophy
Physics	Plant Biology	Political Science
Sociology	Spanish	Statistics

## Penn State Research Doctorate Programs Ranking within the Top 10% of Total Programs Ranked in the Field

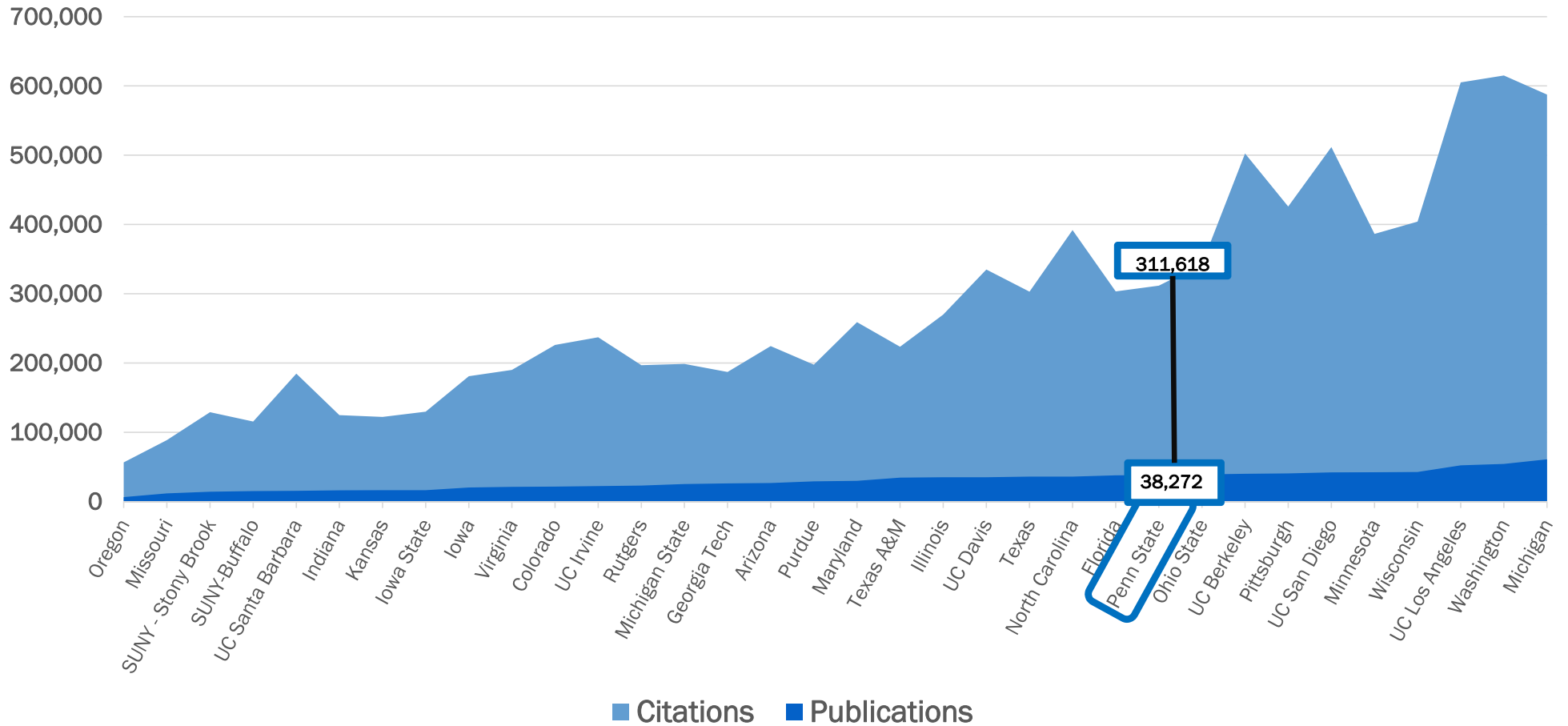
Dimensional Category of Student Support and Outcomes		
Anthropology	Art History	Astronomy & Astrophysics
Bioengineering	Cell and Molecular Biology	Chemical Engineering
Communication Arts & Sciences	Comparative Literature	Demography
English	Environmental Engineering	Forest Resources
French	Genetics	Human Development & Family Studies
History	Mechanical Engineering	Meteorology
Microbiology & Immunology	Neuroscience	Nursing
Pathobiology	Petroleum and Mineral Engineering	Pharmacology
Philosophy	Physics	Plant Pathology
Political Science	Rural Sociology	Sociology
Soil Science	Spanish	Statistics

## Metrics on Research Dissemination

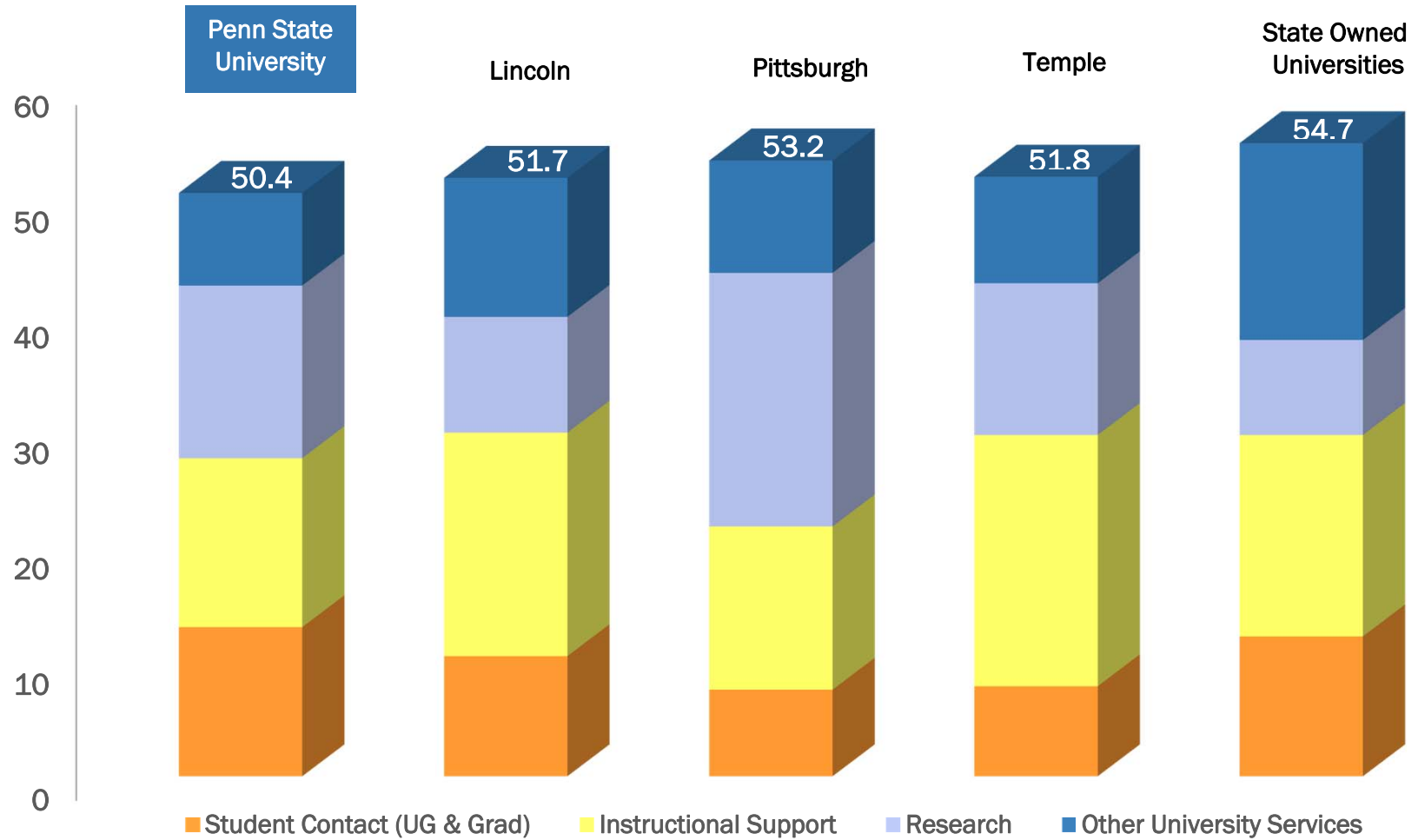
### Penn State Ranks in Top 5 of Each Category

Rank (Scholarly output)	<b>Energy: Policy, Economics and Law</b>	<b>Fossil Fuels, Combustion, Turbo., Carbon Capture</b>	<b>Renewable energy (All types) and nuclear</b>	<b>Dist., efficiency, grid, storage, smart build</b>	<b>Energy and the Environment (including Climate)</b>
1	Massachusetts Institute of Technology	Texas A and M University	Massachusetts Institute of Technology	Georgia Institute of Technology	<b>University of California at Berkeley</b>
2	<b>University of California at Berkeley</b>	University of Texas at Austin	<b>University of California at Berkeley</b>	Massachusetts Institute of Technology	Texas A and M University
3	Texas A and M University	<b>Pennsylvania State University</b>	<b>Stanford University</b>	University of Michigan	<b>Pennsylvania State University</b>
4	University of Illinois at Urbana-Champaign	<b>Stanford University</b>	Georgia Institute of Technology	<b>University of California at Berkeley</b>	University of Wisconsin
5	<b>Pennsylvania State University</b>	Massachusetts Institute of Technology	<b>Pennsylvania State University</b>	<b>Pennsylvania State University</b>	<b>Stanford University</b>

# Publications and Citations AAU Publics: Years 2011-2015



## Average Weekly Hours by Type of Activity Full-Time Faculty 2014-15



Source: Joint State Government Report, February 2016, Table

# The Intersection of Teaching and Research

*Research+Teaching+Outreach = Land-Grant Mission*

- Penn State offers undergraduates opportunities to conduct research with world-class researchers in many disciplines.
- Over the last 5 years, nearly 8,000 students completed an undergraduate research course prior to graduation
- In 2015-16, 610 awards supported 974 undergraduate student research experiences.
- 50+ Erickson Discovery Grants (\$3,500 each) are awarded each summer.
- Faculty incorporate research-based new knowledge into curriculum.

# Student Engagement in Research

2015-16 YTD

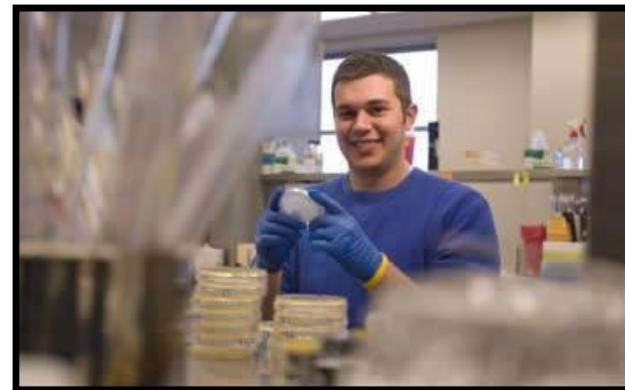
	Student Wage Costs	Undergrad Students
Federal	\$ 734,244	447
Industrial	691,575	356
University	223,746	100
Commonwealth	<u>96,770</u>	<u>71</u>
<b>Total</b>	<b>\$1,746,334</b>	<b>974</b>

## Number of projects involving undergraduate students:

•Federal	324
•Industrial	217
•Commonwealth	36
•PSU	<u>33</u>
Total	610
Number of NSF Projects	86

# Research Engagement at Commonwealth Campuses

- Student participation in supervised research
  - 261 sections in AY 2015-16 with 793 total enrollments
- Faculty participation in sponsored awards
  - \$62 million (as of June 2016)



Source: Office of Sponsored Programs, SIMS Report



## Other CC Ranking Highlights

- *US News* ranked Penn State's online iMBA degree and online graduate business programs, administered at Penn State Behrend, as 7<sup>th</sup> in the nation.
- Penn State Shenango was ranked in “best bang for buck” by *Washington Monthly*.
- 17 Commonwealth Campuses were named “Military Friendly” schools.
- 2 campuses (DuBois and Schuylkill) named to the President's Higher Education Community Service Honor Roll, a federal award.

## Summary of Productivity at Penn State

- Faculty doing more with less as indicated by our top 50 *US News* ranking as compared to our faculty resource ranking.
- Excelling in teaching as reflected in our retention/graduation rates and our actual graduation rates vs. the predicted rates as calculated in the *US News* rankings.
- Excelling in research as reflected in the results of national rankings and results produced.
- Compensation is commensurate with the quality of faculty.
- Penn State has maintained an excellent student-faculty ratio.
- Penn State faculty spend fewer hours involved in the bureaucracy noted as “Other University Service.”

***Looking Ahead:  
The Strategic Plan and Capital Campaign  
will promote even higher levels of  
productivity and excellence.***

# Discussion Questions?



**Remarks from Provost and Executive Vice President Nicholas P. Jones**  
**Meeting of the Penn State Board of Trustees, Penn State Wilkes-Barre, Lehman, PA**  
**July 22, 2016**

“Good afternoon. I’m delighted that our meeting today is being held at Penn State Wilkes-Barre, a growing campus about which you’ll hear even more from Chancellor Davis after my remarks. Before delivering my official report, I’d like to introduce and welcome several new Commonwealth Campus chancellors. In January, Ralph Ford assumed his role as chancellor at Penn State Erie, The Behrend College. In February, Andrew Egan took the position at Penn State Greater Allegheny. We also welcomed two new chancellors earlier this month: Damian Fernandez at Penn State Abington and Jenifer Cushman at Penn State Beaver. Dr. Ford had been serving as Behrend’s interim chancellor since last July. Drs. Egan, Fernandez, and Cushman came to Penn State from Manitoba, Canada, New York City, and Ohio, respectively. We are thrilled to have educators and administrators of such high caliber among our leadership. Please join me now in welcoming and congratulating them.

“Today, I’d like to focus on all of our Commonwealth Campuses and, in particular, how their faculty, staff, and students are helping to advance the imperatives of Penn State’s strategic plan. In February, we published our new, five-year plan, titled “A Commitment to Impact.” The document articulates our mission, vision, and institutional values, as well as six foundational principles that underpin all University endeavors and are considered fundamental to implementing the plan. These foundations—Enabling Access to Education, Engaging Our Students, Fostering and Embracing a Diverse World, Enhancing Global Engagement, Driving Economic Development, and Ensuring a Sustainable Future—connect to, empower, and sustain our values as an institution. The plan also highlights five thematic priorities: Transforming Education, Enhancing Health, Stewarding Our Planet’s Resources, Advancing the Arts and Humanities, and Driving Digital Innovation. These strategic areas of focus leverage existing and emerging strengths and opportunities across the University. They also reflect the breadth and depth of expertise and interest where the University is well positioned to make profound and measurable contributions. I can’t emphasize enough that ours is a University-wide plan—one that we cannot implement and achieve without the involvement of all Penn State campuses and their constituents. That may seem complicated and daunting, but one intrinsic benefit of our unique structure—one university, geographically distributed—is that it provides for an accessible Penn State education with choices to fit most personal situations, preferences, and challenges. It also enables innumerable opportunities to operationalize our strategic plan throughout the Commonwealth. Like University Park, our 20 Commonwealth Campuses, which vary in size and program portfolios, advance the University’s mission and serve their broader communities. Dr. Madlyn Hanes, our Vice President for Commonwealth Campuses, continues to demonstrate exceptional leadership in these areas, and we’re grateful for her commitment and dedication to the campuses’ success. Penn State’s structure has served well to fulfill its role as the Commonwealth’s land-grant institution, and we continue to take pride in and maximize the benefits of our unified, multi-campus approach.

“Penn State’s 20 Commonwealth Campuses, including Wilkes-Barre, are integral to our status as a growing and thriving institution of higher learning and research. They comprise six academic colleges—including five Campus Colleges and the 14-campus University College—and one academic school, the Great Valley School of Graduate Professional Studies. About 55 percent of our first-year students—associate and baccalaureate—start at a Commonwealth Campus. These campuses are home to more than 31,000 students, constituting 36 percent of Penn State’s total residential student body. About 85 percent of these students are Pennsylvania residents. Approximately 79 percent are traditional-aged learners, but the other 21 percent are adult learners, including more than 1,300 military veterans. Also notable: 37 percent of learners at our Commonwealth Campuses are first-generation college students, and more than 80 percent receive financial aid and work part time while pursuing their higher education. Of course, we’re still one University, and many students make transitions to take advantage of the unique opportunities that

status enables. About 4,400 students transition annually among Penn State campuses. Of these, approximately three of every four students change assignment to University Park from a Commonwealth Campus. A growing number, however, move from one Commonwealth Campus to another, or from University Park or our online World Campus to a Commonwealth Campus.

“All of these numbers, among others, illustrate the impact we’re making by enabling access to education, our strategic plan’s first foundational principle. Given the large number of students who need financial aid and the socioeconomic challenges that exist in communities throughout the Commonwealth, Penn State’s ability to educate students for productive careers is crucial. Penn State’s unique structure—one University geographically distributed—is optimally configured. Our highly regarded, long-established campuses and our relatively new World Campus help to enable access by potential students, both flexibly and at a reasonable cost.

“During the past several years, the Commonwealth Campuses have expanded curricula that are strategically selected based on high prospective demand and student interest, and, to the extent possible, strong career orientation. Our Commonwealth Campuses have strong ties to area business and industry, so maintaining, developing, and evolving curricula that are relevant to the needs of regional industry remains a priority. As a result of this approach, campuses have added a variety of professionally focused programs that appeal to students and address regional economic needs. Across our Commonwealth Campuses and the World Campus, Penn State offers 21 associate, 107 baccalaureate, and 35 graduate degree programs, and our substantial graduation rates in these programs reveal the significance and impact our people can have in the workforce in the many communities we serve. Incidentally, Commonwealth Campus faculty also teach about 30 percent of our World Campus courses across 13 academic programs. Our Commonwealth Campuses also have a substantial community impact as employers. With more than 3,700 full-time and 4,000 part-time employees, Penn State campuses throughout the Commonwealth are vital to their communities’ economic health and development. Driving economic development and community renewal is a key supporting element stated in our strategic plan. With campuses throughout the Commonwealth, we have a unique presence in, and commitment to, these campuses’ communities. Our health as an institution is drawn in part from the well-being of these communities, and we have a crucial responsibility to them.

“We are helping to meet that responsibility in part through an initiative you’ve probably heard a lot about lately, called “Invent Penn State.” Envisioned as a way to leverage the University’s size and broad research strengths to help drive job creation, economic development, and student career success, Invent Penn State debuted with an introduction by President Barron in January 2015. He said then that, “Our aim is to accelerate the transfer of new ideas into useful products and processes.” He added that the University ultimately would commit tens of millions of dollars to this initiative, effectively blanketing the Commonwealth with new opportunities for innovation and entrepreneurship. We are taking advantage of Penn State’s numerous locations throughout the Commonwealth and enhancing their impacts as engines of local and regional growth. An inaugural group of six Penn State campuses—Abington, Behrend, Harrisburg, Lehigh Valley, New Kensington, and Wilkes-Barre—each received \$50,000 in seed funding last year, aimed at enhancing local partnerships and entrepreneurial environments. Last month at the Capitol in Harrisburg, Dr. Barron announced the next six Penn State campus recipients of \$50,000 in seed funding: Altoona, Berks, Great Valley, Schuylkill, Shenango, and York. This development brings the number of Commonwealth Campus centers funded by Invent Penn State to 12. These seed funds are also leveraged locally. Community partners in most cases have matched University seed support by contributing physical spaces, cash prizes for start-up competitions, and/or professional time and expertise to budding entrepreneurs. The ultimate goal is to create flexible and vibrant physical spaces—entrepreneurial “boot camps” that will allow individuals and groups to incubate their ideas and develop viable businesses.

“Invent Penn State isn’t limited to only Penn State students and faculty. Campuses involved in the effort also serve as hubs for their surrounding communities, giving residents resources to launch their business ideas and enabling new partnerships. For example, Penn State Abington partnered with the

Abington Arts Center to create a co-working space combined with an innovation hub for Montgomery County. Dubbed the Abington LaunchBox, it serves as an idea lab, tech springboard, and meet-up space for entrepreneurs from the campus and the region. Here in Wilkes-Barre, the Invent Penn State funding helps to support the city's Innovation Squared Project to revitalize its downtown and expand businesses and jobs. Penn State Wilkes-Barre will support equipment needs and lecture and mentorship programs at the Entrepreneurial and Business Development Lab, an environment that gives local students, faculty, and business leaders access to a shared workplace. A section of our strategic plan says specifically that, "Penn State will drive economic development in the Commonwealth, as well as in regional, national, and international industry." Two other sections discuss the impacts Penn State can engender by enhancing partnerships with industry, government, and the communities we serve, and expanding access to University resources. Invent Penn State represents only one way in which we are already advancing these priorities.

"Besides Invent Penn State, our campuses also are involved with a variety of initiatives and projects that align with our University-wide mission and vision, and our comprehensive strategic plan. For example, Penn State Evan Pugh Professor of Mathematics George Andrews founded the Pennsylvania Mathematics Initiative to improve mathematics achievement in elementary school grades. The initiative's primary focus is building math fluency and expertise in teachers in grades K through 5, a goal accomplished through professional development workshops led by experienced mathematicians and educators. This summer, faculty from Penn State Brandywine and Penn State Greater Allegheny partnered with the University Park team and are bringing the workshops to a broader community. Included in our strategic plan is a priority to partner more effectively with pre-college educators in meaningful ways, and this initiative clearly supports that effort.

"The Pathway to Success: Summer Start program, currently held at nine Commonwealth Campuses, allows select new students to jumpstart their college careers by taking two classes in a more relaxed summer setting. The invitation-only program, which lasts five to six weeks during the summer before students' first years at Penn State, provides tools and resources that increase the likelihood they will graduate and earn their Penn State degrees on time, potentially saving them and their families thousands of dollars in tuition, fees, and other expenses. These students also can return for a second summer to take additional classes, all while earning money by working at a job on campus. Making a comprehensive and useful education accessible to citizens of the Commonwealth was core to Penn State's founding mission, and today programs like this continue this emphasis. We must place pursuing and completing a Penn State education within reasonable reach for students and their families.

"Meanwhile, we recently launched a program designed to connect Engineering faculty across Penn State campuses and engage Commonwealth Campus students in research. In 2015, the Multi-Campus Research Experience for Undergraduates program, or REU, served 33 students from six campuses in its inaugural year, including Wilkes-Barre. Forty-nine faculty members participated initially. The current 2016 cohort has grown to 59 faculty working with 50 students and includes participation from 14 campuses and 12 Penn State engineering departments. Each student's research team had two or more faculty advisers, with at least one from a Commonwealth Campus and one from University Park. The students spent six to eight weeks on their projects. Two of the weeks were spent at University Park, with the remainder at their home campuses. The program provided valuable research experience for Commonwealth Campus undergraduates and facilitated new interactions between campuses and engineering colleagues. It also has enormous potential to give students and faculty access to resources and industry across the Commonwealth. Research impact in the sciences, engineering, and mathematics remains vital to Penn State's mission and vision, and our strategic plan mandates that the University will continue to invest aggressively in these areas. This multi-campus REU is only one example of our commitment to this priority.

"Beyond the strategic plan and specific programs and initiatives, we must always remember that Penn State's biggest asset is its people. And at our Commonwealth Campuses, tens of thousands of students, faculty, and staff are doing great work to ensure Penn State's impact is strong not only in Pennsylvania, but also worldwide. Here at Wilkes-Barre, faculty and staff joined forces to raise funds to

support the local Feeding America Backpack Program, which provides at-risk students with backpacks filled with healthy foods to eat during weekends and holidays when they may otherwise go hungry. Students are accomplishing outstanding things, as well. Among them is Information Sciences and Technology student Vincent Munro, who was named Penn State Wilkes-Barre's Outstanding Adult Learner for 2016. Originally from Long Island, Munro came to Wilkes-Barre after serving four years in the Army National Guard, during which time he was deployed to Iraq for 14 months. He didn't have much of a technical background, but he wanted to challenge himself. He completed an internship with the campus ITS department and now works 20 hours per week at the campus Help Desk. He expects to graduate in the fall with a Bachelor of Science degree in IST.

"Of course, great stories aren't hard to find at our other campuses, as well. A couple of months ago, three Penn State Schuylkill students and one staff member traveled to Montreal, Quebec, to participate in a campus-sponsored, international Habitat for Humanity Canada trip. Their goal: To break the cycle of poverty, one home at a time. Last year, nine Penn State honors students, including five from Penn State Harrisburg, traveled to Peru for a study tour that focused on how to learn and serve in a cross-cultural environment. Closer to home, several Penn State DuBois students recently partnered with the Pennsylvania Fish and Boat Commission and the Jefferson County Conservation District in habitat development efforts at Kyle Lake, a man-made body of water in Washington Township. The students helped Fish and Boat Commission workers place catfish boxes and turtle basking platforms in the lake—essential components of the habitat that are necessary for these species to thrive. Meanwhile, creating positive change in the community is a mission that Kevin Cauley has approached head-on as a first-year student at Penn State Brandywine. With support from faculty, staff, and fellow students, he recently developed the student-run Philly Outreach Project, which aids Greater Philadelphia communities in need. Our Commonwealth Campuses are a large and dynamic part of the University, serving more than 31,000 students who are vital to our integrated Penn State structure. They are making a difference in their communities and helping the University to deliver on the ambitious goals articulated in our strategic plan. We will continue to leverage our unique structure—including the Commonwealth Campuses and World Campus—to meet our obligations regarding educational access and affordability and fulfill Penn State's land-grant mission.

"Thank you for your attention. Have a good afternoon."



# Provost's Report

STRONGER TOGETHER:

How Our Commonwealth Campuses Are Supporting and Advancing  
Penn State's University-wide Strategic Plan

Dr. Nicholas P. Jones  
Meeting of the Board of Trustees  
Penn State Wilkes-Barre  
Friday, July 22, 2016



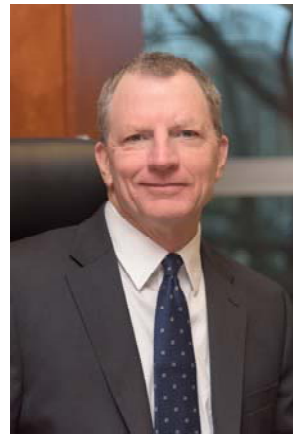
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# New Penn State Chancellors



Dr. Ralph Ford  
Penn State Erie,  
The Behrend College



Dr. Andrew Egan  
Penn State  
Greater Allegheny



Dr. Damian  
Fernandez  
Penn State  
Abington



Dr. Jenifer  
Cushman  
Penn State  
Beaver



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# Our Commonwealth Campuses and the Strategic Plan



- Published in February 2016
- Six foundational principles
- Five thematic priorities
- Reflects depth and breadth of expertise across all of the University's campuses



# The Benefits of Penn State's Unique Structure



One University, geographically distributed



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# The Big Picture



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# A Diverse Student Body with Modest Resources



- About 55% of first-year students start at a Commonwealth Campus
- More than 31,000 students total, representing 36% of Penn State's student body
- About 37% are first-generation college students
- More than 80% receive financial aid and work part time while pursuing their degrees



# Seamless Transitions



- About 4,400 students transition annually across all Penn State campuses
- Data show more moves not involving University Park



# Enabling Access to Education



Strategic plan's first foundational principle



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# Academic Program Portfolios



Across all Penn State campuses, we offer 163 degree programs, and that number continues to grow. The current tally:

- 21 associate
- 107 baccalaureate
- 35 graduate



# Our Employment Impact



7,700+ employees at Commonwealth Campuses



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# Support for Economic Development



Penn State has responsibility to its communities



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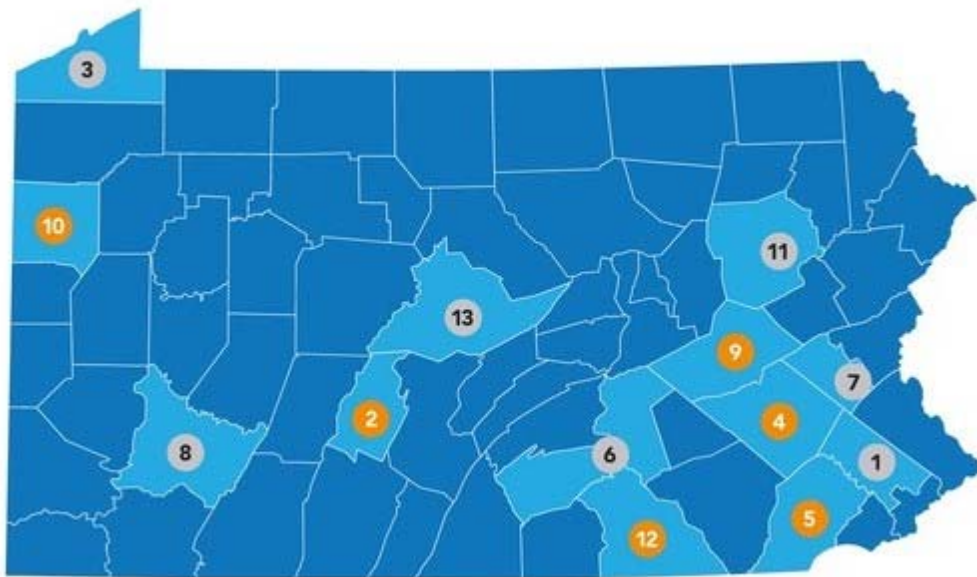
# Invent Penn State



- Debuted in January 2015
- Drives job creation, economic development, and student career success
- Commitment delivering ample new opportunities for innovation and entrepreneurship in Pennsylvania



# Seed Grants Fuel Growth, Innovation



(Newest Grant Recipients for 2016)

- Invent Penn State seed grants support 12 Commonwealth Campus centers so far
- Last month, announced six additional locations to inaugural group of six



# Community Integration



In December 2015, Penn State dedicated the next phase of the Innovation Squared Project in downtown Wilkes-Barre: the Entrepreneurial and Business Development Lab at the Wilkes-Barre THINK Center.



# Pennsylvania Mathematics Initiative



- Primary focus: Building math fluency and expertise in teachers in grades K through 5
- Two Commonwealth Campuses getting involved this summer



# Pathway to Success: Summer Start (PaSSS) Program



- Invitation-only opportunity
- Students can jumpstart studies during the summer
- Program held at nine Commonwealth Campuses
- Boosts access to education





# Multi-Campus REU



- Program encourages research by Commonwealth Campus undergraduate students
- 2016 cohort includes 59 faculty and 50 students, with participation from 14 campuses and 12 Penn State engineering departments
- Big impact across STEM disciplines



# The Power of Our People



- Faculty, staff at all campuses are committed to making a difference through a variety of initiatives, including the Feeding America Backpack Program.
- Vincent Munro (pictured), who served in the U.S. Army National Guard, was named Penn State Wilkes-Barre's Outstanding Adult Learner for 2016.



# Penn State's Global Impact



Valerie Clay, assistant director of Student Affairs at Penn State Schuylkill, and student Darlyncia Nobrun build homes for Habitat for Humanity Quebec.



# Closer to Home



- Left: Penn State Brandywine's Philly Outreach Project
- Right: Penn State DuBois students working at Kyle Lake



# One University, United



- Commonwealth Campuses are vital to our integrated structure.
- They make a difference in their communities and support our strategic plan with their activities.



**THE PENNSYLVANIA STATE UNIVERSITY**

**BOARD OF TRUSTEES  
JULY 22, 2016**

**PROPOSED 2016-17 OPERATING BUDGET  
AGENDA ITEM 7.D.4**

**PROPOSED 2016-17 TUITION AND FEES  
AGENDA ITEM 7.D.5**

**THE PENNSYLVANIA STATE UNIVERSITY  
2016-17 OPERATING BUDGET**

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**TAB A**

**2016-17 OPERATING BUDGET**



## **THE PENNSYLVANIA STATE UNIVERSITY 2016-17 OPERATING BUDGET**

The Board of Trustees will be asked to consider and approve Penn State's operating budget on July 22, 2016.

### **SUMMARY OF THE BUDGET PLAN**

In building the Proposed 2016-17 Operating Budget, Penn State has placed the highest priority on keeping tuition increases to the lowest possible level while continuing to provide a high quality educational experience. The budget plan that was approved by the Board of Trustees as part of Penn State's 2016-17 Appropriation Request reflected one of Governor Wolf's goals – to restore the 2011-12 cuts in state higher education support over two years. Restoration of those cuts would have provided a General Support appropriation increase of \$39.5 million in addition to the \$10.7 million increase included in the 2015-16 state budget that was finalized in March 2016. At the requested appropriation, no base tuition increase for Pennsylvania resident undergraduate students was planned for the second consecutive year.

At the time that Penn State submitted the 2016-17 appropriation request in November 2015, the 2015-16 appropriation had not yet been finalized. As the 2015-16 state budget impasse continued over the next several months, it became clear that the actions necessary to provide the revenue increases that would be needed to carry out Governor Wolf's plan to restore higher education funding over two years did not have the support of the General Assembly.

When Governor Wolf presented his 2016-17 Executive Budget in February 2016, he acknowledged that the timeframe for restoring the cuts would need to be extended, and his plan called for an increase of 5.0 percent, or \$11.2 million in Penn State's 2016-17 General Support appropriation. After the Governor presented his budget plan in February 2016, Penn State adjusted the planning parameters for the 2016-17 operating budget to include the lower appropriation increase of 5.0 percent. The parameters were adjusted again to reflect a 2.5 percent increase, or \$5.6 million, in the General Support appropriation authorized by Act 17A of 2016 that received final approval from the General Assembly and was signed by Governor Wolf on July 13, 2016.

As the projected amount of the General Support appropriation increase evolved and settled at \$5.6 million, planning efforts focused on minimizing the impact on Penn State's students. Mandates and unavoidable cost increases must be funded, while some priorities will be addressed with one-time sources and the timeframe for others will be extended. In addition, the

university is taking steps to initiate longer-term strategies that will lower future base operating costs. Significant budget reductions have also been identified, along with non-tuition revenue, that contribute to the effort to keep tuition increases low.

In addition to non-tuition revenue increases and significant budget reductions, the proposed budget includes modest tuition rate increases. In aggregate, base undergraduate tuition for Pennsylvania students is proposed to increase by 1.76 percent and 3.17 percent for non-resident undergraduate students. University Park lower-division Pennsylvania undergraduate students would see a tuition increase of \$190 per semester. Pennsylvania lower-division undergraduates at eight Commonwealth campuses would see no tuition increase, while those at eleven campuses would see increases ranging from \$81 to \$105 per semester. Increases for non-resident and graduate students would be higher.

## **2016-17 TOTAL OPERATING BUDGET**

The University is proposing changes totaling \$85.0 million in general funds, restricted funds, and auxiliary enterprises, plus \$154.7 million at the Hershey Medical Center, bringing the total 2016-17 operating budget to \$5.1 billion. A summary of the budget is shown on Table 1.

## **STATE APPROPRIATIONS**

Penn State's 2016-17 appropriations total \$315.7 million. The General Support (E&G) appropriation, the Agricultural College Land Scrip Fund, and the Pennsylvania College of Technology have been increased by 2.5 percent over the 2015-16 levels. Medical Assistance funding for the Penn State Milton S. Hershey Medical Center funded through the Pennsylvania Department of Public Welfare will increase by \$2.0 million, to \$13.4 million with the increase directed to the continued development of the Regional Medical Campus at University Park. A summary of the appropriation is shown on Table 2.

## **THE GENERAL FUNDS BUDGET**

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

Excluding the College of Medicine and the Pennsylvania College of Technology, 79.1 percent of the income supporting the 2016-17 General Funds budget will come from tuition and fees and 13.6 percent from state appropriations.

With the proposed increases of \$72.8 million, the General Funds budget will total \$2.2 billion, a 3.4 percent increase over 2015-16.

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

**TABLE 1**  
**TOTAL UNIVERSITY BUDGET**  
**SUMMARY OF 2016-17 CHANGES**  
**(dollars in thousands)**

	<b>2015-16 Adjusted Budget</b>	<b>Changes</b>	<b>2016-17 Budget</b>
<b>General Funds:</b>			
Educational and General	\$ 1,858,282	\$ 57,375	\$ 1,915,657
Agric. Research & Cooperative Extension	53,816	1,264	55,080
Sub -Total	1,912,098	58,639	1,970,737
College of Medicine	123,805	13,889	137,694
Pennsylvania College of Technology	109,142	261	109,403
Total - General Funds	2,145,045	72,789	2,217,834
<b>Federal Funds - Agriculture</b>	21,866	0	21,866
<b>Restricted Funds:</b>			
Educational and General	496,223	9,924	506,147
Agric. Research & Cooperative Extension	46,772	935	47,707
College of Medicine	106,600	(8,600)	98,000
Pennsylvania College of Technology	16,060	(3,035)	13,025
Total - Restricted Funds	665,655	(776)	664,879
<b>Auxiliary Enterprises:</b>			
Educational and General	387,141	13,866	401,007
College of Medicine	3,581	119	3,700
Pennsylvania College of Technology	28,985	(998)	27,987
Total - Auxiliary Enterprises	419,707	12,987	432,694
<b>TOTAL</b>	\$ 3,252,273	\$ 85,000	\$ 3,337,273
<b>The Milton S. Hershey Medical Center</b>	1,649,693	154,738	1,804,431
<b>TOTAL UNIVERSITY</b>	\$ <u>4,901,966</u>	\$ <u>239,738</u>	\$ <u>5,141,704</u>

**TABLE 2**  
**SUMMARY OF STATE APPROPRIATION**  
**(dollars in thousands)**

	<u>2015-16</u> <u>Appropriation</u>	<u>Changes</u>	<u>2016-17</u> <u>Total</u>
<b><u>Direct State Appropriation:</u></b>			
General Support	\$224,816	5,620	\$230,436
Pennsylvania College of Technology	<u>19,584</u>	<u>490</u>	<u>20,074</u>
<b>Sub-Total</b>	244,400	6,110	250,510
<b><u>Agricultural College Land Scrip</u></b>			
<b><u>Fund:</u></b>			
Agricultural Research and Cooperative Extension	50,549	1,264	51,813
<b><u>PA Department of Public Welfare:</u></b>			
<b>M.S. Hershey Medical Center:</b>			
Medical Assistance Funding (estimate)	<u>11,444</u>	<u>1,956</u>	<u>13,400</u>
<b>Total</b>	<u><u>\$306,393</u></u>	<u><u>\$9,330</u></u>	<u><u>\$315,723</u></u>

## **EDUCATIONAL AND GENERAL BUDGET**

Expense changes for the 2016-17 Educational and General (E&G) portion of the University's general funds operating budget total \$57.4 million bringing the E&G budget to \$1.9 billion. The changes are described below and summarized in Table 3.

### **SALARIES**

The 2016-17 budget proposal includes a salary pool to adequately fund contractual amounts for the two labor agreements that apply to Penn State technical-service employees and campus health professionals, centrally funded amounts for faculty promotions in the professorial ranks, a 3.0 percent increase in graduate assistant stipends, and a 2.0 percent pool to provide merit-based salary adjustments for faculty and staff and to make equity or market adjustments. Benchmarking data show that a 2.0 percent salary pool puts Penn State near the bottom of the range of our Big Ten peers. Note that any amounts that are applied to the salaries of individuals earning less than \$47,474 per year or \$913 per week, the recently announced new threshold from the Department of Labor below which most employees must be paid overtime, will reduce the need for additional funding when the rule becomes effective on December 1, 2016. Also included in the \$25 million for compensation adjustments are the related costs of the increased employer contributions to social security and retirement plans as well as the projected compensation increases for employees of the Dickinson Schools of Law.

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

### **BENEFITS**

For 2016-17, the cost of the University's benefits program is projected to increase, beyond the amounts already budgeted, by \$11.8 million. Additional funding for mandatory costs for the increase in the employer share of health care for employees, graduate assistants and fellows is projected to increase by \$6.5 million. The University plans to budget an additional \$5.3 million for mandatory employer retirement contributions. The employer contribution rate for the State Employees' Retirement System (SERS) for most of Penn State's members will increase from 24.85 percent to 29.95 percent for 2016-17. Approximately one-third of Penn State's full-time employees are enrolled in SERS.

## **PROPERTY AND LIABILITY INSURANCES**

The University will need to budget an increase of \$750,000 for property and liability insurances in 2016-17.

## **FACILITIES AND MAINTENANCE**

A total of \$14.0 million will be budgeted to address facility and maintenance needs. Included in this amount is \$4.0 million for the maintenance and operation of new or newly remodeled facilities scheduled to come on line in 2016-17. These facilities include the newly constructed Data Center at University Park, the Greenberg Complex, MPI Building, Materials Research Building Phase II, the addition of 59 classrooms to the general purpose classroom pool, the Penn Building at Penn State Altoona, the Ruhl Student Center at Penn State York, the second half of the funding for the Student Enrichment Center at Penn State Harrisburg, the Multi-Purpose Building addition at Penn State York, and other smaller projects.

Energy and water conservation is important to the University's financial and environmental goals. The University will budget an increase of \$5.0 million to fund the utility costs associated with the new or newly renovated facilities, the amortization of the waste water treatment plant loan and an energy savings loan, and an allocation to restore unfunded costs from prior years.

The Educational and General Capital Improvement Program was established to address the overwhelming need to provide modern laboratory and classroom space as a supplement to the capital funds received from the Commonwealth. These funds enable the University to incur debt for building construction and renovation. Extraordinary budget pressures, including the sharp appropriation reduction in 2011-12 prompted the University to delay any additional investments in the Capital Improvement Program for three years. In 2015-16, the planned increase of \$3.9 million, which was slated to support borrowing for the Agricultural Engineering Building and for part of the Chemical and Biomedical Engineering Building, was lowered to \$1.6 million as one of the steps to enable freezing base tuition for resident undergraduate students. In order to keep the Chemical and Biomedical Engineering project on schedule, \$5.0 million will be budgeted to support borrowing in 2016-17.

The University continues to face the challenge of financing the renovation and renewal of an aging physical plant. The most recent estimate, as assessed by the consulting group Sightlines and the Office of Physical Plant, to maintain the current condition of all campuses is \$110 million per year. To go beyond maintaining the current condition and reduce the asset preservation backlog would require an additional \$100 million per year. In addition to the \$31.1 million E&G budget that has been established for this purpose, one-time funds dedicated to the Capital Plan, gifts, and the student facilities fee provide the sources for facility renovations and

renewals. Ideally, additional recurring funds would be added to the \$31.1 million budget that addresses these needs. In order to reduce the amount of new recurring funds that need to be identified for 2016-17, thereby keeping tuition increases lower, an allocation will be made available from non-recurring funding sources.

## **INNOVATION, OTHER PROGRAM COMMITMENTS, AND PRIOR YEAR BUDGET GAP**

Funding in the amount of \$8.0 million is included in the proposed 2016-17 budget for a number of innovation initiatives to advance the thematic priorities as outlined in the 2016-2020 Strategic Plan, “*Our Commitment to Impact*” (<http://strategicplan.psu.edu/>).

An additional \$2.0 million will be budgeted from the third year of a plan to further differentiate the tuition rates between normal and higher cost programs by modestly increasing the upper-division and graduate tuition rates of those programs to address instructional resource needs.

Also needed is \$5.2 million to close the remaining budget gap from 2015-16 that resulted from holding base tuition for Pennsylvania resident undergraduates flat.

Another \$5.4 million is related to budget changes within the Dickinson Schools of Law.

## **BUDGET REDUCTIONS AND COST SAVINGS INITIATIVES**

For 2016-17, the budget includes reductions in operating budgets made possible through cost savings initiatives totaling \$19.8 million. This amount is composed of operating savings from restructuring the post-retirement health care liability, a combination of capping and reducing the subsidy provided to the World Campus and University Outreach, increasing the tax that applies to the prior year’s revenue from Auxiliary Enterprises, and reductions from a review of central accounts to capture savings across multiple budgets that resulted from prior actions to reduce worker’s compensation, health care, and dependent grant-in-aid costs.

## **LIBRARIES AND INFORMATION TECHNOLOGY**

As part of the strategy to drive down the total cost of a degree, 2016-17 will be the second year that the student Information Technology Fee will not be increased. When this fee was introduced more than two decades ago, the University needed a dedicated and immediate revenue stream to fund newly emerging technology. Today, the infrastructure that is supported



by the Information Technology Fee revenue is as integral to the operation of the university as any other cost that is supported with tuition. Students have expressed a strong desire to include the fee as part of tuition so that all student fees are specifically under their control. To that end, the university would like to eliminate the fee by combining it with tuition. However, this combination, while not raising the cost of a degree at all, could appear as a large tuition increase to students, parents, and the public if they did not, at the same time, understand that the fee had been eliminated. A public awareness effort will need to be launched so that, when this change occurs in the future, the impact will be as visible as possible.

## **STUDENT ACTIVITIES**

Additional revenue of \$259,000 will result from varying increases in the Student Activities Fee as determined by the students themselves. These funds will be used to support student activities and programs at the generating campuses. The increase for 2016-17 brings the amount budgeted from the fee to \$13.1 million. Student Activities Fee charges by campus can be found on Schedule 3 in Tab E of this document.

## **STUDENT FACILITIES**

A total of \$306,000 is included in the budget for the Student Facilities Fee, resulting from an increase of \$2 per semester in the fee. Funds from the fee will be used to support capital projects designated to enhance student activities, fitness, and recreation. The increase for 2016-17 brings the amount budgeted from the fee to \$16.6 million. A summary of the Student Facilities Fee charges for each campus can be found on Schedule 4 in Tab E of this document.

## **STUDENT AID**

As the University implements tuition increases to provide necessary funds to meet strategic goals, it is imperative that the amount of student aid also be increased. This will help the University to meet its continuing goal that any student from the Commonwealth will be able to attend Penn State through a combination of institutional, federal, state, and private philanthropic support.

An additional \$2.0 million is included in the 2016-17 budget for student aid. These funds will be used to leverage private donations for student support through the Trustee Matching Scholarship Program and to provide additional need-based aid.

**TABLE 3**  
**EDUCATIONAL AND GENERAL OPERATING BUDGET**  
**2016-17 EXPENSE CHANGES**  
**(dollars in thousands)**

**Compensation (and Related Benefits Adjustments)**

1. Inflationary (merit-based) and Contractual	\$ 23,368
2. Faculty Promotions & Summer Session	<u>1,640</u>
Sub-Total - Compensation (and Related Benefits Adj.)	25,008

**Benefits**

1. Employee Health Insurances	6,469
2. Retirement	<u>5,354</u>
Sub-Total - Benefits	11,823

**Property and Liability Insurances** 750

**Facilities and Maintenance**

1. Deferred Maintenance	0
2. Capital Improvement	5,000
3. Maintenance and Operation of New Facilities	3,957
4. Fuel and Utilities	<u>5,018</u>
Sub-Total - Facilities and Maintenance	13,975

**Innovation, Program Commitments & Prior Year Budget Gap** 20,642

**Libraries and Information Technology** 0

**Budget Reductions and Expense Adjustments** (19,816)

**Student Activities** 259

**Student Facilities** 306

**Student Aid** 2,000

**Grants-In-Aid** 2,428

**TOTAL EXPENSE CHANGES** \$ 57,375

## **GRANTS-IN-AID RELATED TO TUITION RATE INCREASES**

A total of \$2.4 million is included in the 2016-17 budget for increased costs of grants-in-aid, which are related to the tuition rate increases, primarily for graduate assistants, fellowships, employees, and dependents.

## **EDUCATIONAL AND GENERAL INCOME CHANGES**

Income changes of \$57.4 million support the 2016-17 Educational and General (E&G) budget of \$1.9 billion. These changes are described below and summarized in Table 4.

## **STATE APPROPRIATION**

The proposed budget includes an increase of \$5.6 million for the Educational and General portion of the budget, for state appropriation support of \$230.4 million.

## **TUITION**

Tuition rate schedules for resident and non-resident students by student level and by campus are shown on Schedule 1 in Tab E of this document. In aggregate across all campuses, base tuition increases of 1.76 percent for undergraduate Pennsylvania residents and 3.17 percent for undergraduate non-residents are proposed. The proposed increases continue to widen the differential between University Park and the Commonwealth Campuses as well as the differentials among campuses to reflect demographic and programmatic differences.

The tuition rate changes would generate \$39.7 million, including \$6.1 million from the law school's 4.0 percent tuition increase to \$46,176. An additional \$9.0 million would be budgeted which includes \$6.0 million from adding, to the recurring budget, tuition revenue from prior year's enrollment growth and resident/non-resident mix change at University Park, which will require an ongoing higher level of enrollment to sustain the recurring revenue that has been incorporated into the expense base. It also includes \$2.0 million from increasing the upper-division and graduate tuition differentials for higher cost programs and \$1.0 million from tuition available from Summer Session.

## **STUDENT ACTIVITIES FEE**

An additional \$259,000 will result from increases ranging from a \$1 to \$2 per semester in the Student Activities Fee (as determined by the student leadership groups).

## **STUDENT FACILITIES FEE**

A total of \$306,000 will be available as a result of an increase of \$2 per semester in the Student Facilities Fee for most campuses.

## **FACILITIES AND ADMINISTRATION COST RECOVERY**

Over the past several years, the University has made a significant effort to better track and more fully account for costs in support of sponsored research activities. As a result of this initiative and projected increases in research expenditures, additional income in the amount of \$1.5 million will be available from increased facilities and administration cost recovery from grants and contracts in 2016-17.

## **OTHER NON-TUITION INCOME**

An additional \$1.0 million will be budgeted as the University continues to implement a long-term plan to gradually eliminate an historical transfer of the General Support appropriation to the College of Medicine. In addition, The Dickinson Schools of Law anticipate a small increase in non-tuition revenue.

**TABLE 4**  
**EDUCATIONAL AND GENERAL OPERATING BUDGET**  
**2016-17 INCOME CHANGES**  
**(dollars in thousands)**

<b>State Appropriation</b>	\$	5,620
<b>Tuition</b>		48,652
<b>Information Technology Fee</b>		0
<b>Student Activities Fee</b>		259
<b>Student Facilities Fee</b>		306
<b>Facilities and Administration Cost Recovery</b>		1,500
<b>Investment Income</b>		0
<b>Other Income</b>		<u>1,038</u>
<b>TOTAL INCOME CHANGES</b>	\$	<u><u>57,375</u></u>

## **AGRICULTURAL RESEARCH AND COOPERATIVE EXTENSION**

The traditional line items for Agricultural Research and Cooperative Extension were removed from Penn State's direct appropriation bill in 2011-12. Again in 2016-17 the funds will be made available to Penn State through the Agricultural College Land Scrip Fund. A 2.5 percent increase of \$1.3 million is included in Pennsylvania's 2016-17 budget for the Scrip Fund for a total of \$51.8 million. This welcome increase fully funds the inflationary costs for salaries and benefits and provides much needed funding for program needs.

Expense and income changes for the Agricultural Research and Cooperative Extension budgets are summarized in Table 5. The budgets are funded primarily through state appropriations and support salaries, benefits, and operating costs for each program.

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

**TABLE 5**  
**AGRICULTURAL RESEARCH AND COOPERATIVE EXTENSION**  
**2016-17 CHANGES**  
**(dollars in thousands)**

**Income:**

Appropriation \$ 1,264

**TOTAL INCOME CHANGES** \$ 1,264

**Expense:**

Compensation and Employee Benefits Costs\* \$ 1,034

Program Changes 230

**TOTAL EXPENSE CHANGES** \$ 1,264

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

**THE COLLEGE OF MEDICINE  
AND  
THE MILTON S. HERSHEY MEDICAL CENTER**

**COLLEGE OF MEDICINE**

General funds expense and income changes for the College of Medicine at the Milton S. Hershey Medical Center for 2016-17 are shown on Table 6.

Expenses will increase by a total of \$13.9 million, including: \$12.3 million for instruction and program needs; \$1.3 million for compensation; \$550,000 for employee benefits; and, a decrease of \$212,000 for facilities and physical plant costs.

Income changes include increases of \$10.0 million in academic support from the Milton S. Hershey Medical Center, \$1.9 million from tuition revenue, \$2.7 million in earnings of departments, and an estimated \$338,000 from indirect cost recovery. A decrease of \$1.0 million from the second year of a long-term plan to phase out the historical transfer of part of Penn State's General Support appropriation will also be budgeted.

Effective Fall 2016, the College of Medicine will implement a single tuition rate for Pennsylvania resident and non-resident medical students of \$49,800 per academic year.

The total 2016-17 operating budget for the College of Medicine is \$239.4 million, as shown on Table 6A. The budget includes \$137.7 million for general funds, \$98.0 million for restricted funds, and \$3.7 million for auxiliary enterprises.



## **THE MILTON S. HERSHEY MEDICAL CENTER**

The Milton S. Hershey Medical Center is a subsidiary corporation within Penn State that was formed to operate the clinical activities, both hospital and physician, that occur at the Hershey Medical Center.

Budgeted expenses and income of \$1.8 billion for 2016-17, as shown on Table 6A, were approved by the Board of Directors of the Milton S. Hershey Medical Center.

Medical Assistance funds appropriated to the Milton S. Hershey Medical Center through the Pennsylvania Department of Public Welfare are expected to total \$13.4 million. This estimated amount includes a \$2.0 million increase to the \$5.3 million that Penn State Hershey first secured from the Commonwealth in 2014-15, bringing the amount to \$7.3 million that will be available in the 2016-17 budget to support the continuing development of the Regional Medical Campus at University Park. With a focus on the preparation of medical students for careers in primary care and rural medicine, this program is helping to address the healthcare needs of both the Centre County region and the entire northern tier of Pennsylvania. This funding is used to facilitate contributions by, and collaborations with, the Department of Public Health Sciences which is utilized to support the analysis of the health care needs of the Commonwealth and the development of clinically-integrated networks to meet those needs.

When combined with the College of Medicine, the budget for the entire medical center operation for 2016-17 is \$2.0 billion.

**TABLE 6**  
**THE COLLEGE OF MEDICINE**  
**2016-17 GENERAL FUNDS BUDGET CHANGES**  
**(dollars in thousands)**

**Expense:**

Instruction	\$ (396)
Programs Needs	12,668
Compensation Adjustments	1,279
Employee Benefits	550
Facilities and Physical Plant	<u>(212)</u>
<b>TOTAL - EXPENSE CHANGES</b>	<b>\$ <u><u>13,889</u></u></b>

**Income:**

Tuition and Fees	\$ 1,916
Facilities & Administration and Investment Income	338
Earnings of Departments	2,659
Academic Support from The M.S. Hershey Medical Center	9,976
Other Transfers	<u>(1,000)</u>
<b>TOTAL - INCOME CHANGES</b>	<b>\$ <u><u>13,889</u></u></b>

**TABLE 6A**  
**THE COLLEGE OF MEDICINE AND**  
**THE MILTON S. HERSHEY MEDICAL CENTER**  
**2016-17 TOTAL OPERATING BUDGET**  
**(dollars in thousands)**

	<u>2015-16 Adjusted Budget</u>	<u>Changes</u>	<u>2016-17 Budget</u>
<b>College of Medicine (COM):</b>			
General Funds	\$ 123,805	\$ 13,889	\$ 137,694
Restricted Funds	106,600	(8,600)	98,000
Auxiliary Enterprises	<u>3,581</u>	<u>119</u>	<u>3,700</u>
<b>Sub-Total - COM</b>	233,986	5,408	239,394
<b>Milton S. Hershey Medical Center</b>	<u>1,649,693</u>	<u>154,738</u>	<u>1,804,431</u>
<b>TOTAL</b>	<u>\$ 1,883,679</u>	<u>\$ 160,146</u>	<u>\$ 2,043,825</u>

## **THE PENNSYLVANIA COLLEGE OF TECHNOLOGY**

### **EXPENSE AND INCOME CHANGES**

Expense and income changes included in the 2016-17 budget for the Pennsylvania College of Technology (Penn College) are described below and shown in Tables 7 and 7A.

The Board of Directors approved a 2016-17 budget plan on June 23, 2016 that did not include an increase in the state appropriation. The approved 2016-17 general funds budget for Penn College includes income increases of \$261,000 not including the \$490,000 appropriation increase included in Act 17A of 2016 that was signed by Governor Wolf on July 13, 2016, which will bring the state budget line item to \$20.1 million.

Tuition and fees will increase by \$135 per semester to \$8,040 for Pennsylvania resident students and \$210 per semester to \$11,445 for non-residents (based on a 15-credit hour course schedule). Additional tuition revenue of \$387,000 will be budgeted from a combination of estimated enrollment changes and tuition rate increases. Other income will decrease by \$126,000.

The total 2016-17 operating budget for Penn College is \$150.4 million, as shown on Table 7A. This includes the general funds budget of \$109.4 million, restricted funds of \$13.0 million and \$28.0 million for auxiliary enterprises.

**TABLE 7**  
**THE PENNSYLVANIA COLLEGE OF TECHNOLOGY**  
**2016-17 GENERAL FUNDS BUDGET CHANGES**  
**(dollars in thousands)**

**Income:**

State Appropriation*	\$	0
Tuition and Fees		387
Other		<u>(126)</u>
<b>TOTAL - INCOME CHANGES</b>	<b>\$</b>	<b><u>261</u></b>

**Expense:**

Compensation Adjustments	\$	(185)
Employee Benefits		329
Other Expense		<u>117</u>
<b>TOTAL - EXPENSE CHANGES</b>	<b>\$</b>	<b><u>261</u></b>

\*Penn College Board of Directors approved a budget plan on June 23, 2016 that did not include an appropriation increase. A 2.5% appropriation increase, approved by the Commonwealth, will provide an increase of \$490,000.

**TABLE 7A**  
**THE PENNSYLVANIA COLLEGE OF TECHNOLOGY**  
**2016-17 TOTAL OPERATING BUDGET**  
**(dollars in thousands)**

	<u>2015-16 Adjusted Budget</u>	<u>Changes</u>	<u>2016-17 Budget</u>
General Funds	\$ 109,142	\$ 261	\$ 109,403
Restricted Funds	16,060	(3,035)	13,025
Auxiliary Enterprises	<u>28,985</u>	<u>(998)</u>	<u>27,987</u>
<b>TOTAL</b>	<b>\$ <u>154,187</u></b>	<b>\$ <u>(3,772)</u></b>	<b>\$ <u>150,415</u></b>

**SCHEDULES INCLUDED IN THE  
RESOLUTIONS FOR APPROVAL OF THE  
2016-17 OPERATING BUDGET, TAB D**

Schedule I provides a summary of the proposed total University budget for 2016-17. Amounts shown for restricted funds are estimates, which are included to provide a complete picture of the total University budget. Actual restricted funds amounts will depend on continuing receipt of grants and contracts, and may be either higher or lower than estimated.

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

Schedule IV shows the total proposed expenditures for the College of Medicine, and Schedule V presents estimated College of Medicine income.

Footnotes to Schedules I through V in Tab D provide additional explanation of the proposed expense and income changes.

**TAB B**

**ACADEMIC SALARY INFORMATION**



**Comparison of Average and Faculty Salaries  
Penn State's Rank by Year  
Among Big Ten and  
Selected Public AAUDE\* Institutions**

	<u>Professor</u>	<u>Associate Professor</u>	<u>Assistant Professor</u>
<b>Penn State's Rank -- Big Ten</b>			
2014-15	3rd	3rd	5th
2013-14	2nd	3rd	5th
2012-13	2nd	2nd	6th
2011-12	4th	3rd	6th
2010-11	3rd	2nd	5th
2009-10	3rd	3rd	7th
2008-09	2nd	2nd	7th
2007-08	3rd	2nd	7th
2006-07	4th	2nd	6th
2005-06	2nd	2nd	3rd
<b>Penn State's Rank -- Selected AAUDE</b>			
2014-15	3rd	4th	7th
2013-14	3rd	4th	7th
2012-13	4th	2nd	9th
2011-12	9th	8th	13th
2010-11	7th	6th	10th
2009-10	6th	6th	14th
2008-09	5th	5th	13th
2007-08	6th	5th	13th
2006-07	7th	5th	13th
2005-06	2nd	4th	6th

\*Association of American Universities Data Exchange

## **Tab C**

### **TUITION COMPARISONS**

## Announced Resident Undergraduate Tuition Increases 2016-17

	<u>Tuition % Increase</u>
University of Connecticut, Storrs	6.70%
University of Kentucky, Lexington	5.00%
West Virginia University, Morgantown	5.00% *
University of Massachusetts, Amherst	4.90% *
University of Iowa, Iowa City	4.40%
University of Colorado, Boulder	3.97% *
University of Michigan, Ann Arbor	3.90%
University of Utah, Salt Lake City	3.90%
Cornell University, Contract Colleges	3.75%
Michigan State University, East Lansing	3.70%
University of North Carolina, Chapel Hill	3.70% *
University of South Carolina, Columbia	3.25%
University of Arizona, Tucson	3.20%
Clemson University, Clemson	3.14% *
University of Texas, Austin	3.10%
University of Virginia, Charlottesville	3.00%
Virginia Tech, Blacksburg	2.90% *
University of Minnesota, Twin Cities	2.50%
University of Nebraska, Lincoln	2.50%
Texas A&M University, College Station	2.20%
University of Tennessee, Knoxville	2.20%
University of Maryland, College Park	2.00%
Florida State University, Tallahassee	0.00%
Indiana University, Bloomington	0.00%
Ohio State University, Columbus	0.00%
Purdue University, West Lafayette	0.00%
University of California - System	0.00%
University of Illinois, Urbana-Champaign	0.00%
University of Missouri, Columbia	0.00%
University of Wisconsin, Madison	0.00%

\*Tuition and Fees

Gathered from legislative, university and news web sources as of July 11, 2016.

## **2015-16 Undergraduate Tuition and Mandatory Fees at Selected Private Universities**

### **National (AAUDE\*):**

Columbia	53,523
Carnegie-Mellon	50,665
Southern California	50,210
Tulane	49,638
Pennsylvania	49,536
Dartmouth	49,506
Brown	49,346
Duke	49,241
Cornell	49,116
Northwestern	49,047
Johns Hopkins	48,710
Washington University	48,093
Massachusetts Institute of Technology	46,704
Stanford	46,320
California Institute of Technology	45,390
Harvard	45,278
Vanderbilt	44,712
Princeton	44,436

### **Other Pennsylvania Universities:**

Bucknell	50,152
Gettysburg	49,140
Villanova	47,616
Lehigh	46,230

\*Association of American University Data Exchange

Source: University of Virginia Survey/Websites

**2015-16 Undergraduate Tuition and Mandatory Fees  
at Big Ten and Other Regional Universities - Main Campuses**

	<u>Resident</u>	<u>Non-Resident</u>
Pittsburgh	\$18,192	\$28,958
<b>Penn State</b>	<b>17,514</b>	<b>31,346</b>
Illinois	15,626	30,786
Virginia	14,678	43,974
Rutgers	14,131	29,521
Michigan	13,856	43,476
Minnesota	13,790	22,210
Michigan State	13,560	36,360
Wisconsin	10,415	29,665
Indiana	10,388	33,740
Ohio State	10,037	27,365
Purdue	10,002	28,804
Maryland	9,996	31,144
Nebraska	8,279	22,446
Iowa	8,104	27,890

**TAB D**

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

**FRIDAY, JULY 22, 2016  
FINANCE, BUSINESS AND CAPITAL PLANNING  
SECTION 7, PART D, AGENDA ITEM #4**

**CONSIDERATION OF PROPOSED OPERATING BUDGET FOR THE  
UNIVERSITY FOR THE FISCAL YEAR BEGINNING JULY 1, 2016**

Will the Board of Trustees adopt the following resolution:

RESOLVED, That the Proposed Operating Budget for the University for the fiscal year beginning July 1, 2016, as shown in the 2016-2017 Proposed Operating Budget and Proposed 2016-2017 Tuition and Fees, is approved.

**THE PENNSYLVANIA STATE UNIVERSITY  
2016-17 OPERATING BUDGET  
SCHEDULE I  
SUMMARY SCHEDULE FOR TOTAL UNIVERSITY**

	(1) Adjusted Budget 2015-16	(2) Changes	(3) 2016-17 Budget
<b>General Funds:</b>			
Educational & General	\$ 1,858,282,000	\$ 57,375,000	\$ 1,915,657,000
Agric. Research & Cooperative Extension	53,816,000	1,264,000	55,080,000
Sub-Total	1,912,098,000	58,639,000	1,970,737,000
College of Medicine	123,805,000	13,889,000	137,694,000
Pennsylvania College of Technology	109,142,000	261,000	109,403,000
Total - General Funds	2,145,045,000	72,789,000	2,217,834,000
<b>Federal Funds - Agriculture</b>	21,866,000	0	21,866,000
<b>Restricted Funds (a):</b>			
Educational & General	496,223,000	9,924,000	506,147,000
Agric. Research & Cooperative Extension	46,772,000	935,000	47,707,000
College of Medicine	106,600,000	(8,600,000)	98,000,000
Pennsylvania College of Technology	16,060,000	(3,035,000)	13,025,000
Total - Restricted Funds	665,655,000	(776,000)	664,879,000
<b>Auxiliary Enterprises (b):</b>			
Educational & General (c)	387,141,000	13,866,000	401,007,000
College of Medicine	3,581,000	119,000	3,700,000
Pennsylvania College of Technology	28,985,000	(998,000)	27,987,000
Total - Auxiliary Enterprises	419,707,000	12,987,000	432,694,000
<b>TOTAL</b>	<b>\$ 3,252,273,000</b>	<b>\$ 85,000,000</b>	<b>\$ 3,337,273,000</b>
<b>The Milton S. Hershey Medical Center</b>	<b>1,649,693,000</b>	<b>154,738,000</b>	<b>1,804,431,000 (d)</b>
<b>TOTAL UNIVERSITY</b>	<b>\$ 4,901,966,000</b>	<b>\$ 239,738,000</b>	<b>\$ 5,141,704,000</b>

Note: Footnotes follow Schedule V.

**THE PENNSYLVANIA STATE UNIVERSITY  
2016-17 OPERATING BUDGET  
SCHEDULE II  
SUMMARY OF EXPENDITURES**

	(1) Adjusted Budget 2015-16	(2) Changes	(3) 2016-17 Budget
<b>GENERAL FUNDS:</b>			
<b>EDUCATIONAL &amp; GENERAL:</b>			
Instruction and Research	\$ 759,083,000	\$ 11,900,000	\$ 770,983,000
Other Public Service	24,691,000	49,000	24,740,000
Academic Support	397,852,000	616,000	398,468,000
Institutional Support	286,637,000	3,644,000	290,281,000
Student Services	125,899,000	350,000	126,249,000
Student Aid	57,572,000	9,116,000	66,688,000
Physical Plant Operations	196,501,000	14,684,000	211,185,000
University Contingencies	10,047,000	0	10,047,000
Cost Savings/Internal Reductions	0	(19,816,000) (e)	(19,816,000)
Compensation & Employee Benefits Adj (f):			
Merit-based Inflationary Salary Increases	0	20,133,000	20,133,000
Merit-based Inflationary Related Benefits	0	3,222,000	3,222,000
Market, Equity & Faculty Promotions	0	1,425,000	1,425,000
Market, Equity & Faculty Promo. Rel. Bene.	0	228,000	228,000
Benefits Cost Increases	0	11,824,000	11,824,000
<b>Total Educational &amp; General (g)</b>	<b>1,858,282,000</b>	<b>57,375,000</b>	<b>1,915,657,000</b>
<b>AGRICULTURAL RESEARCH &amp; COOPERATIVE EXTENSION (h):</b>			
Compensation & Employee Benefits Adj.:			
Merit-based Inflationary Salary Increases	0	459,000	459,000
Merit-based Inflationary Related Benefits	0	73,000	73,000
Market & Equity Salary Increases	0	0	0
Market & Equity Related Benefits	0	0	0
Benefits Cost Increases	0	502,000	502,000
Program Changes	53,816,000	230,000	54,046,000
<b>Total Agricultural Research &amp; Cooperative Extension (i)</b>	<b>53,816,000</b>	<b>1,264,000</b>	<b>55,080,000</b>
<b>Sub-Total</b>	<b>1,912,098,000</b>	<b>58,639,000</b>	<b>1,970,737,000</b>
<b>COLLEGE OF MEDICINE</b>	<b>123,805,000</b>	<b>13,889,000</b>	<b>137,694,000</b>
<b>PA COLLEGE OF TECHNOLOGY (j)</b>	<b>109,142,000</b>	<b>261,000</b>	<b>109,403,000</b>
<b>TOTAL GENERAL FUNDS</b>	<b>\$ 2,145,045,000</b>	<b>\$ 72,789,000</b>	<b>\$ 2,217,834,000</b>

Note: Footnotes follow Schedule V.



THE PENNSYLVANIA STATE UNIVERSITY  
294-103  
2016-17 OPERATING BUDGET  
SCHEDULE III  
SUMMARY OF INCOME

	(1) Adjusted Budget 2015-16	(2) Changes	(3) 2016-17 Budget
<b>GENERAL FUNDS:</b>			
<b>EDUCATIONAL &amp; GENERAL:</b>			
State Appropriation:			
Educational & General	\$ 224,816,000	\$ 5,620,000 (k)	\$ 230,436,000
Transfers	(4,032,000)	0	(4,032,000) (l)
Sub-Total - State Appropriation	220,784,000	5,620,000	226,404,000
Tuition and Fees	1,509,552,000	49,217,000 (m)	1,558,769,000
Facilities & Administration and Investment Income	92,765,000	1,500,000	94,265,000
Sales and Services Income	28,359,000	38,000	28,397,000
Other Income	19,822,000	0	19,822,000
Other Transfers	(13,000,000)	1,000,000 (n)	(12,000,000)
<b>Total Educational &amp; General</b>	<b>1,858,282,000</b>	<b>57,375,000</b>	<b>1,915,657,000</b>
<b>AGRICULTURAL RESEARCH &amp; COOPERATIVE EXTENSION:</b>			
State Appropriation:			
Agric. Research & Cooperative Extension	50,549,000	1,264,000 (o)	51,813,000
Transfers	2,581,000	0	2,581,000 (p)
Sub-Total - State Appropriation	53,130,000	1,264,000	54,394,000
Sales and Services Income	686,000	0	686,000
<b>Total Agricultural Research &amp; Cooperative Extension</b>	<b>53,816,000</b>	<b>1,264,000</b>	<b>55,080,000</b>
<b>Sub-Total</b>	<b>1,912,098,000</b>	<b>58,639,000</b>	<b>1,970,737,000</b>
<b>COLLEGE OF MEDICINE</b>	<b>123,805,000</b>	<b>13,889,000</b>	<b>137,694,000</b>
<b>PA COLLEGE OF TECHNOLOGY (r):</b>			
State Appropriation:			
PA College of Technology	19,584,000	0 (q)	19,584,000
Transfers	396,000	0	396,000 (s)
Sub-Total - State Appropriation	19,980,000	0	19,980,000
Tuition and Fees	87,020,000	387,000	87,407,000
Other Income	2,142,000	(126,000)	2,016,000
<b>Total PA College of Technology</b>	<b>109,142,000</b>	<b>261,000</b>	<b>109,403,000</b>
<b>TOTAL GENERAL FUNDS</b>	<b>\$ 2,145,045,000</b>	<b>\$ 72,789,000</b>	<b>\$ 2,217,834,000</b>

Note: Footnotes follow Schedule V.

**THE PENNSYLVANIA STATE UNIVERSITY  
2016-17 OPERATING BUDGET  
SCHEDULE IV  
SUMMARY OF EXPENDITURES  
THE COLLEGE OF MEDICINE AT THE MILTON S. HERSHEY MEDICAL CENTER**

	(1) Adjusted Budget 2015-16	(2) Changes	(3) 2016-17 Budget
<b>GENERAL FUNDS:</b>			
Instruction and Research	\$ 38,617,000	\$ (396,000)	\$ 38,221,000
Other Public Service	4,797,000	7,000	4,804,000
Academic Support	12,825,000	5,133,000	17,958,000
Institutional Support	27,771,000	6,394,000	34,165,000
Student Services	3,231,000	74,000	3,305,000
Student Aid	2,514,000	1,060,000	3,574,000
Physical Plant Operations	34,050,000	(212,000)	33,838,000
Compensation & Employee Benefits Adj.:			
Merit-based Inflationary Salary Increases	0	1,103,000	1,103,000
Merit-based Inflationary Related Benefits	0	176,000	176,000
Market & Equity Salary Increases	0	0	0
Market & Equity Related Benefits	0	0	0
Benefits Cost Increases	0	550,000	550,000
<b>TOTAL GENERAL FUNDS</b>	123,805,000	13,889,000	137,694,000
<b>RESTRICTED FUNDS (t)</b>	106,600,000	(8,600,000)	98,000,000
<b>AUXILIARY ENTERPRISES (u)</b>	3,581,000	119,000	3,700,000
<b>TOTAL</b>	<b>\$ 233,986,000</b>	<b>\$ 5,408,000</b>	<b>\$ 239,394,000</b>

Note: Footnotes follow Schedule V.

**THE PENNSYLVANIA STATE UNIVERSITY  
2016-17 OPERATING BUDGET  
SCHEDULE V  
SUMMARY OF INCOME  
THE COLLEGE OF MEDICINE AT THE MILTON S. HERSHEY MEDICAL CENTER**

	(1) Adjusted Budget 2015-16	(2) Changes	(3) 2016-17 Budget
<b>GENERAL FUNDS:</b>			
Tuition and Fees	\$ 35,864,000	\$ 1,916,000 (v)	\$ 37,780,000
Facilities & Administration and Investment Income	17,662,000	338,000	18,000,000
Academic Support from MSHMC (w)	33,459,000	9,976,000	43,435,000
Sales and Services Income	17,272,000	1,657,000	18,929,000
Other Income	5,493,000	1,002,000	6,495,000
State Appropriation: Transfers	1,055,000	0	1,055,000 (x)
Other Transfers	13,000,000	(1,000,000) (y)	12,000,000
<b>TOTAL GENERAL FUNDS</b>	<b>123,805,000</b>	<b>13,889,000</b>	<b>137,694,000</b>
<b>RESTRICTED FUNDS (z)</b>	<b>106,600,000</b>	<b>(8,600,000)</b>	<b>98,000,000</b>
<b>AUXILIARY ENTERPRISES (aa)</b>	<b>3,581,000</b>	<b>119,000</b>	<b>3,700,000</b>
<b>TOTAL</b>	<b>\$ 233,986,000</b>	<b>\$ 5,408,000</b>	<b>\$ 239,394,000</b>

Note: Footnotes follow Schedule V.

**Schedule I:**

- (a) Includes Grants, Contracts, Restricted Gifts and Restricted Endowment Income. The 2016-17 Budget is based on preliminary 2015-16 actual and 2016-17 estimated income. Expenditures are offset directly by income for the same purpose.
- (b) Self-supporting budgets representing sales and services, primarily to individuals. Educational and General Auxiliary Enterprises include Housing and Food Services, Intercollegiate Athletics, Commons Operations, Penn State Hospitality Services, Bryce Jordan Center, and Airport Operations.
- (c) Includes \$8,346,000 from room and board rate increases approved by the Board of Trustees on February 26, 2016, and other adjustments. Expenditures are offset directly by income for the same purpose.
- (d) Total income from the 2016-17 budget for The Milton S. Hershey Medical Center (MSHMC) that was approved by the Board of Directors of MSHMC on June 28, 2016.

**Schedule II:**

- (e) Cost savings made possible by restructuring the post-retirement health care liability, a combination of capping and reducing the subsidy provided to the World Campus and University Outreach, increasing the tax that applies to the prior year's revenue from Auxiliary Enterprises, and reductions from a review of central accounts to capture savings across multiple budgets that resulted from prior actions to reduce worker's compensation, health care, and dependent grant-in-aid costs.
- (f) A salary pool to satisfy contractual obligations, increases in graduate assistant stipends, faculty promotions, and to provide compensation increases between 1.5 and 2.0 percent for faculty and staff to keep up with inflation distributed based on merit, market and equity considerations.
- (g) Employee benefits expense distributed by function.
- (h) Includes expenditures offset by funding allocated by the Commonwealth and by sales and services income.
- (i) Includes allocated employee benefits for Agricultural Research and Cooperative Extension personnel paid on Federal Funds-Agriculture.
- (j) The Pennsylvania College of Technology (Penn College) is a separate but wholly owned subsidiary of the University administered through the Corporation for Penn State.

**Schedule III:**

- (k) The 2016-17 operating budget reflects the State Appropriation increase of 2.5 percent for E&G.
- (l) Represents the following transfers: \$1,055,000 to the College of Medicine for redistribution of 2004-05 increase, for graduate and nursing programs, for the prior years' Tuition Challenge Grants, and for a proportionate share of the 1997-98 Special Projects appropriation (which was folded into E&G in the 1998-99 appropriation); \$2,977,000 to other line items for redistribution of 2005-06 and 2004-05 increases; and for a proportionate share of the 1997-98 Special Projects appropriation.

**Schedule III (continued):**

- (m) Includes tuition rate changes for 2016-17 of \$41,652,000, additional tuition income resulting from recent enrollment growth of \$6,000,000 and summer income of \$1,000,000. Reflects additional income of \$259,000 from Student Activities Fee and \$306,000 from Student Facilities Fee.
- (n) Additional E&G income due to reduction in "Other Transfers" to the College of Medicine.
- (o) Includes state support increase of 2.5 percent from the 2015-16 level.
- (p) Represents the following transfers: \$1,018,000 redistribution of 2005-06 increase, \$1,136,000 redistribution of 2004-05 increase and \$427,000 for a proportionate share of the 1997-98 Special Projects appropriation.
- (q) Penn College Board of Directors approved a budget plan on June 23, 2016 that did not include an appropriation increase. A 2.5 percent appropriation increase, approved by the Commonwealth on July 13<sup>th</sup>, 2016, will provide an increase of \$490,000.
- (r) Penn College is a separate but wholly owned subsidiary of the University administered through the Corporation for Penn State.
- (s) Represents the following transfers: \$293,000 redistribution of 2004-05 increase and \$103,000 for a proportionate share of the 1997-98 Special Projects appropriation.

**Schedule IV:**

- (t) Expenditures are offset directly by income for the same purpose.
- (u) Self-supporting budgets representing sales and services, primarily to individuals. These sales and services include student housing. Expenditures are offset directly by income for the same purpose.

**Schedule V:**

- (v) Reflects an annual increase of \$1,100 for in-state medical student tuition. Out-of-state medical student tuition will decrease by \$2,184 for 2016-17.
- (w) Reflects funding received by the College of Medicine from The Milton S. Hershey Medical Center (MSHMC).
- (x) Represents the following transfers: for redistribution of 2004-05 increase, for graduate and nursing programs, for the prior years' Tuition Challenge Grants, and for a proportionate share of the 1997-98 Special Projects appropriation (which was folded into E&G in the 1998-99 appropriation).
- (y) Decrease in E&G income due to reduction in "Other Transfers" to the College of Medicine.
- (z) Expenditures are offset directly by income for the same purpose.
- (aa) Self-supporting budgets representing sales and services, primarily to individuals. These sales and services include housing.

## **TAB E**

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

#### **FRIDAY, JULY 22, 2016 FINANCE, BUSINESS AND CAPITAL PLANNING SECTION 7, PART D, AGENDA ITEM #5**

#### **PROPOSED TUITION AND FEES EFFECTIVE 2016 FALL SEMESTER, THE PENNSYLVANIA STATE UNIVERSITY**

Will the Board of Trustees adopt the following resolution:

RESOLVED, That tuition at all locations, effective for the 2016-2017 school year, and as shown in the 2016-2017 Proposed Operating Budget and Proposed 2016-2017 Tuition and Fees, is approved.

**Schedule 1  
University Park Tuition  
Projected 2016-17 Tuition Rates**

	<u>Per Academic Year</u>			<u>Full-Time Per Semester</u>			<u>Part-Time Per Credit</u>		
	<u>2015-16</u>	<u>Increase</u>	<u>2016-17 Tuition</u>	<u>2015-16</u>	<u>Increase</u>	<u>2016-17 Tuition</u>	<u>2015-16</u>	<u>Increase</u>	<u>2016-17 Tuition</u>
<b><u>Pennsylvania Residents</u></b>									
<b><i>Undergraduate:</i></b>									
Lower Division including Associate:									
Freshmen & Sophomore	16,572	380	<b>16,952</b>	8,286	190	<b>8,476</b>	691	15	<b>706</b>
Upper Division: (a)									
Junior & Senior:									
Business, Science, IST, EMS, & Engineering (b)	19,578	648	<b>20,226</b>	9,789	324	<b>10,113</b>	816	27	<b>843</b>
Nursing	21,394	490	<b>21,884</b>	10,697	245	<b>10,942</b>	891	21	<b>912</b>
All Other Programs	17,916	410	<b>18,326</b>	8,958	205	<b>9,163</b>	747	17	<b>764</b>
<b><i>Graduate:</i></b>									
MBA	23,708	780	<b>24,488</b>	11,854	390	<b>12,244</b>	988	32	<b>1,020</b>
Business, Science, IST, EMS, & Engineering (b)	20,422	872	<b>21,294</b>	10,211	436	<b>10,647</b>	851	36	<b>887</b>
All Other Programs	19,328	636	<b>19,964</b>	9,664	318	<b>9,982</b>	805	27	<b>832</b>
Graduate Assistantships, Fellowships	16,460	540	<b>17,000</b>	8,230	270	<b>8,500</b>	-	-	-
<b><u>Non-Pennsylvania Residents</u></b>									
<b><i>Undergraduate:</i></b>									
Lower Division including Associate:									
Freshmen & Sophomore	30,404	1,030	<b>31,434</b>	15,202	515	<b>15,717</b>	1,267	43	<b>1,310</b>
Upper Division: (a)									
Junior & Senior:									
Business, Science, IST, EMS, & Engineering (b)	33,798	1,246	<b>35,044</b>	16,899	623	<b>17,522</b>	1,408	52	<b>1,460</b>
Nursing	35,998	1,220	<b>37,218</b>	17,999	610	<b>18,609</b>	1,500	51	<b>1,551</b>
All Other Programs	31,950	1,084	<b>33,034</b>	15,975	542	<b>16,517</b>	1,331	45	<b>1,376</b>
<b><i>Graduate:</i></b>									
MBA	38,068	1,290	<b>39,358</b>	19,034	645	<b>19,679</b>	1,586	54	<b>1,640</b>
Business, Science, IST, EMS, & Engineering (b)	34,384	1,266	<b>35,650</b>	17,192	633	<b>17,825</b>	1,433	52	<b>1,485</b>
All Other Programs	33,142	1,124	<b>34,266</b>	16,571	562	<b>17,133</b>	1,381	47	<b>1,428</b>
Graduate Assistantships, Fellowships	16,460	540	<b>17,000</b>	8,230	270	<b>8,500</b>	-	-	-

**Schedule 1**  
**Medicine, Law, and Great Valley School of Graduate Professional Studies**  
**Projected 2016-17 Tuition Rates**

	<u>Per Academic Year</u>			<u>Full-Time Per Semester</u>			<u>Part-Time Per Credit</u>		
	<u>2015-16</u>	<u>Increase</u>	<u>2016-17 Tuition</u>	<u>2015-16</u>	<u>Increase</u>	<u>2016-17 Tuition</u>	<u>2015-16</u>	<u>Increase</u>	<u>2016-17 Tuition</u>
<b><u>Pennsylvania Residents</u></b>									
<b>College of Medicine at Hershey:</b>									
Medical	48,690	1,110	49,800	24,345	555	24,900	-	-	-
Graduate	20,422	872	21,294	10,211	436	10,647	851	36	887
Master of Physician Assistant Program	-	-	-	12,192	0	12,192	-	-	-
<b>Great Valley Graduate Center:</b>									
MBA	22,332	444	22,776	11,166	222	11,388	931	18	949
All Other Programs	22,332	444	22,776	11,166	222	11,388	931	18	949
<b>Dickinson Law</b>	44,400	1,776	46,176	22,200	888	23,088	1,850	74	1,924
<b>Penn State Law</b>	44,400	1,776	46,176	22,200	888	23,088	1,850	74	1,924
Graduate Assistantships, Fellowships	16,900	540	17,000	8,450	270	8,500	-	-	-
<b><u>Non-Pennsylvania Residents</u></b>									
<b>College of Medicine at Hershey:</b>									
Medical	51,984	(2,184)	49,800	25,992	(1,092)	24,900	-	-	-
Graduate	34,384	1,266	35,650	17,192	633	17,825	1,433	52	1,485
Master of Physician Assistant Program	-	-	-	12,192	0	12,192	-	-	-
<b>Great Valley Graduate Center:</b>									
MBA	36,416	724	37,140	18,208	362	18,570	1,517	31	1,548
All Other Programs	36,416	724	37,140	18,208	362	18,570	1,517	31	1,548
<b>Dickinson Law</b>	44,400	1,776	46,176	22,200	888	23,088	1,850	74	1,924
<b>Penn State Law</b>	44,400	1,776	46,176	22,200	888	23,088	1,850	74	1,924
Graduate Assistantships, Fellowships	16,900	540	17,000	8,450	270	8,500	-	-	-



**Schedule 1**  
**Altoona, Berks, Erie and Harrisburg**  
**Projected 2016-17 Tuition Rates**

	<u>Per Academic Year</u>			<u>Full-Time Per Semester</u>			<u>Part-Time Per Credit</u>		
	<u>2015-16</u>	<u>Increase</u>	<u>2016-17 Tuition</u>	<u>2015-16</u>	<u>Increase</u>	<u>2016-17 Tuition</u>	<u>2015-16</u>	<u>Increase</u>	<u>2016-17 Tuition</u>
<b><u>Pennsylvania Residents</u></b>									
<b><i>Undergraduate:</i></b>									
Lower Division including Associate:									
Freshmen & Sophomore	13,658	210	<b>13,868</b>	6,829	105	<b>6,934</b>	569	9	<b>578</b>
Upper Division: (a)									
Junior & Senior:									
Business, Science, IST, EMS, & Engineering (c)	16,418	452	<b>16,870</b>	8,209	226	<b>8,435</b>	684	19	<b>703</b>
All Other Programs	14,866	228	<b>15,094</b>	7,433	114	<b>7,547</b>	619	10	<b>629</b>
<b><i>Graduate :</i></b>									
MBA	-	-	-	-	-	-	821	21	<b>842</b>
Business, Science, IST, EMS, & Engineering (c)	20,422	710	<b>21,132</b>	10,211	355	<b>10,566</b>	851	30	<b>881</b>
All Other Programs	19,328	484	<b>19,812</b>	9,664	242	<b>9,906</b>	805	21	<b>826</b>
Graduate Assistantships, Fellowships	16,460	540	<b>17,000</b>	8,230	270	<b>8,500</b>	-	-	-
<b><u>Non-Pennsylvania Residents</u></b>									
<b><i>Undergraduate:</i></b>									
Lower Division including Associate:									
Freshmen & Sophomore	21,392	482	<b>21,874</b>	10,696	241	<b>10,937</b>	891	20	<b>911</b>
Upper Division: (a)									
Junior & Senior:									
Business, Science, IST, EMS, & Engineering (c)	24,468	650	<b>25,118</b>	12,234	325	<b>12,559</b>	1,020	27	<b>1,047</b>
All Other Programs	22,760	512	<b>23,272</b>	11,380	256	<b>11,636</b>	948	22	<b>970</b>
<b><i>Graduate :</i></b>									
MBA	-	-	-	-	-	-	1,286	29	<b>1,315</b>
Business, Science, IST, EMS, & Engineering (c)	26,714	702	<b>27,416</b>	13,357	351	<b>13,708</b>	1,113	29	<b>1,142</b>
All Other Programs	25,530	574	<b>26,104</b>	12,765	287	<b>13,052</b>	1,064	24	<b>1,088</b>
Graduate Assistantships, Fellowships	16,460	540	<b>17,000</b>	8,230	270	<b>8,500</b>	-	-	-

**Schedule 1  
Abington  
Projected 2016-17 Tuition Rates**

	<u>Per Academic Year</u>			<u>Full-Time Per Semester</u>			<u>Part-Time Per Credit</u>		
	<u>2015-16</u>	<u>Increase</u>	<u>2016-17 Tuition</u>	<u>2015-16</u>	<u>Increase</u>	<u>2016-17 Tuition</u>	<u>2015-16</u>	<u>Increase</u>	<u>2016-17 Tuition</u>
<b><u>Pennsylvania Residents</u></b>									
<b><i>Undergraduate:</i></b>									
Lower Division including Associate:									
Freshmen & Sophomore	13,012	200	<b>13,212</b>	6,506	100	<b>6,606</b>	535	8	<b>543</b>
Upper Division: (a)									
Junior & Senior:									
Business, Science, IST, EMS, & Engineering (d)	15,614	440	<b>16,054</b>	7,807	220	<b>8,027</b>	618	10	<b>628</b>
All Other Programs	14,082	216	<b>14,298</b>	7,041	108	<b>7,149</b>	579	9	<b>588</b>
<b>Graduate:</b>									
Business, Science, IST, EMS, & Engineering (d)	20,422	710	<b>21,132</b>	10,211	355	<b>10,566</b>	851	30	<b>881</b>
All Other Programs	19,328	484	<b>19,812</b>	9,664	242	<b>9,906</b>	805	21	<b>826</b>
<b><u>Non-Pennsylvania Residents</u></b>									
<b><i>Undergraduate:</i></b>									
Lower Division including Associate:									
Freshmen & Sophomore	20,324	458	<b>20,782</b>	10,162	229	<b>10,391</b>	847	19	<b>866</b>
Upper Division: (a)									
Junior & Senior:									
Business, Science, IST, EMS, & Engineering (d)	23,204	622	<b>23,826</b>	11,602	311	<b>11,913</b>	967	26	<b>993</b>
All Other Programs	21,516	484	<b>22,000</b>	10,758	242	<b>11,000</b>	897	20	<b>917</b>
<b>Graduate:</b>									
Business, Science, IST, EMS, & Engineering (d)	26,198	690	<b>26,888</b>	13,099	345	<b>13,444</b>	1,092	28	<b>1,120</b>
All Other Programs	25,016	562	<b>25,578</b>	12,508	281	<b>12,789</b>	1,042	24	<b>1,066</b>

**Schedule 1**  
**Brandywine, Hazleton, Lehigh Valley, Schuylkill, Worthington Scranton, York, and World Campus \***  
**Projected 2016-17 Tuition Rates**

	<u>Per Academic Year</u>			<u>Full-Time Per Semester</u>			<u>Part-Time Per Credit</u>		
	<u>2015-16</u>	<u>Increase</u>	<u>2016-17 Tuition</u>	<u>2015-16</u>	<u>Increase</u>	<u>2016-17 Tuition</u>	<u>2015-16</u>	<u>Increase</u>	<u>2016-17 Tuition</u>
<b><u>Pennsylvania Residents</u></b>									
<b><i>Undergraduate:</i></b>									
Lower Division including Associate:									
Freshmen & Sophomore	13,012	162	<b>13,174</b>	6,506	81	<b>6,587</b>	535	7	<b>542</b>
Upper Division: (a)									
Junior & Senior:									
Business, Science, IST, EMS, & Engineering (d)	14,396	0	<b>14,396</b>	7,198	0	<b>7,198</b>	584	0	<b>584</b>
All Other Programs	14,082	176	<b>14,258</b>	7,041	88	<b>7,129</b>	579	5	<b>584</b>
<b>Graduate:</b>									
Business, Science, IST, EMS, & Engineering (d)	20,422	406	<b>20,828</b>	10,211	203	<b>10,414</b>	851	17	<b>868</b>
All Other Programs	19,328	384	<b>19,712</b>	9,664	192	<b>9,856</b>	805	16	<b>821</b>
<b><u>Non-Pennsylvania Residents</u></b>									
<b><i>Undergraduate:</i></b>									
Lower Division including Associate:									
Freshmen & Sophomore	20,206	402	<b>20,608</b>	10,103	201	<b>10,304</b>	842	17	<b>859</b>
Upper Division: (a)									
Junior & Senior:	21,154	420	<b>21,574</b>	10,577	210	<b>10,787</b>	881	18	<b>899</b>
<b>Graduate:</b>									
Business, Science, IST, EMS, & Engineering (d)	26,044	518	<b>26,562</b>	13,022	259	<b>13,281</b>	1,085	22	<b>1,107</b>
All Other Programs	24,870	494	<b>25,364</b>	12,435	247	<b>12,682</b>	1,036	21	<b>1,057</b>

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

**Schedule 1**  
**Beaver, DuBois, Fayette, Greater Allegheny, Mont Alto, New Kensington, and Wilkes-Barre**  
**Projected 2016-17 Tuition Rates**

	<u>Per Academic Year</u>			<u>Full-Time Per Semester</u>			<u>Part-Time Per Credit</u>		
	<u>2015-16</u>	<u>Increase</u>	<u>2016-17 Tuition</u>	<u>2015-16</u>	<u>Increase</u>	<u>2016-17 Tuition</u>	<u>2015-16</u>	<u>Increase</u>	<u>2016-17 Tuition</u>
<b><u>Pennsylvania Residents</u></b>									
<i>Undergraduate:</i>									
Lower Division including Associate:									
Freshmen & Sophomore	12,718	0	12,718	6,359	0	6,359	524	0	524
Upper Division: (a)									
Junior & Senior:									
Business, Science, IST, EMS, & Engineering (d)	14,396	0	14,396	7,198	0	7,198	579	0	579
All Other Programs	13,768	0	13,768	6,884	0	6,884	567	0	567
<i>Graduate:</i>									
Business, Science, IST, EMS, & Engineering (d)	19,882	0	19,882	9,941	0	9,941	828	0	828
All Other Programs	18,816	0	18,816	9,408	0	9,408	784	0	784
<b><u>Non-Pennsylvania Residents</u></b>									
<i>Undergraduate:</i>									
Lower Division including Associate:									
Freshmen & Sophomore	19,404	194	19,598	9,702	97	9,799	809	8	817
Upper Division: (a)									
Junior & Senior:									
Business, Science, IST, EMS, & Engineering (d)	21,154	212	21,366	10,577	106	10,683	881	9	890
All Other Programs	20,544	206	20,750	10,272	103	10,375	856	9	865
<i>Graduate:</i>									
Business, Science, IST, EMS, & Engineering (d)	25,010	250	25,260	12,505	125	12,630	1,042	11	1,053
All Other Programs	23,884	238	24,122	11,942	119	12,061	995	10	1,005

**Schedule 1  
Shenango  
Projected 2016-17 Tuition Rates**

	<u>Per Academic Year</u>			<u>Full-Time Per Semester</u>			<u>Part-Time Per Credit</u>		
	<u>2015-16</u>	<u>Increase</u>	<u>2016-17 Tuition</u>	<u>2015-16</u>	<u>Increase</u>	<u>2016-17 Tuition</u>	<u>2015-16</u>	<u>Increase</u>	<u>2016-17 Tuition</u>
<b><u>Pennsylvania Residents</u></b>									
<b><i>Undergraduate:</i></b>									
Lower Division including Associate:									
Freshmen & Sophomore	12,474	0	<b>12,474</b>	6,237	0	<b>6,237</b>	504	0	<b>504</b>
Upper Division: (a)									
Junior & Senior:									
Business, Science, IST, EMS, & Engineering (d)	14,396	0	<b>14,396</b>	7,198	0	<b>7,198</b>	579	0	<b>579</b>
All Other Programs	13,502	0	<b>13,502</b>	6,751	0	<b>6,751</b>	542	0	<b>542</b>
<b>Graduate:</b>									
Business, Science, IST, EMS, & Engineering (d)	18,672	0	<b>18,672</b>	9,336	0	<b>9,336</b>	778	0	<b>778</b>
All Other Programs	17,670	0	<b>17,670</b>	8,835	0	<b>8,835</b>	736	0	<b>736</b>
<b><u>Non-Pennsylvania Residents</u></b>									
<b><i>Undergraduate:</i></b>									
Lower Division including Associate:									
Freshmen & Sophomore	19,030	190	<b>19,220</b>	9,515	95	<b>9,610</b>	793	8	<b>801</b>
Upper Division: (a)									
Junior & Senior:									
Business, Science, IST, EMS, & Engineering (d)	21,154	212	<b>21,366</b>	10,577	106	<b>10,683</b>	881	9	<b>890</b>
All Other Programs	20,148	202	<b>20,350</b>	10,074	101	<b>10,175</b>	840	8	<b>848</b>
<b>Graduate:</b>									
Business, Science, IST, EMS, & Engineering (d)	24,530	246	<b>24,776</b>	12,265	123	<b>12,388</b>	1,022	10	<b>1,032</b>
All Other Programs	23,424	234	<b>23,658</b>	11,712	117	<b>11,829</b>	976	10	<b>986</b>

### Footnotes for 2016-17 Tuition Rate Schedules

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

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

**Schedule 2  
2016-17 Information Technology Fee  
Per Semester**

**Fall and Spring 2016-17**

	<b>9 or More Credits</b>	<b>5 to Less Than 9 Credits</b>	<b>Less Than 5 Credits</b>
Abington	\$252.00	\$189.00	\$86.00
Altoona	252.00	189.00	86.00
Beaver	252.00	189.00	86.00
Berks	252.00	189.00	86.00
Brandywine	252.00	189.00	86.00
DuBois	252.00	189.00	86.00
Erie	252.00	189.00	86.00
Fayette	252.00	189.00	86.00
Great Valley	252.00	189.00	86.00
Greater Allegheny	252.00	189.00	86.00
Harrisburg	252.00	189.00	86.00
Hazleton	252.00	189.00	86.00
Lehigh Valley	252.00	189.00	86.00
Mont Alto	252.00	189.00	86.00
New Kensington	252.00	189.00	86.00
Schuylkill	252.00	189.00	86.00
Shenango	252.00	189.00	86.00
University Park	252.00	189.00	86.00
Wilkes-Barre	252.00	189.00	86.00
Worthington Scranton	252.00	189.00	86.00
York	252.00	189.00	86.00
World Campus	252.00	189.00	86.00
Dickinson Law	252.00	189.00	86.00
Penn State Law	252.00	189.00	86.00
Hershey (non-medical)	252.00	189.00	86.00
Hershey (medical)	331.00	Charge per Semester	

**Schedule 3  
2016-17 Student Activities Fee  
Per Semester**

**Fall and Spring 2016-17**

	<b>9 or More Credits</b>	<b>5 to Less Than 9 Credits</b>	<b>Less Than 5 Credits</b>
Abington	\$102.00	\$77.00	\$32.00
Altoona	102.00	77.00	32.00
Beaver	102.00	77.00	32.00
Berks	102.00	77.00	32.00
Brandywine	102.00	77.00	32.00
DuBois	102.00	77.00	32.00
Erie	102.00	77.00	32.00
Fayette	102.00	77.00	32.00
Greater Allegheny	96.00	72.00	30.00
Harrisburg	102.00	77.00	32.00
Hazleton	102.00	77.00	32.00
Lehigh Valley	102.00	77.00	32.00
Mont Alto	102.00	77.00	32.00
New Kensington	102.00	77.00	32.00
Schuylkill	102.00	77.00	32.00
Shenango	96.00	72.00	30.00
University Park	96.00	72.00	30.00
Wilkes-Barre	96.00	72.00	30.00
Worthington Scranton	102.00	77.00	32.00
York	102.00	77.00	32.00
Dickinson Law	87.00	65.00	27.00
Penn State Law	121.00	91.00	38.00
Hershey (non-medical)	32.00	24.00	10.00
Hershey (medical)	64.00	charge per academic year	

Note: The student activities fee does not apply to students enrolled at Great Valley.



**Schedule 4  
2016-17 Student Facilities Fee  
Per Semester**

**Fall and Spring 2016-17**

	<b>9 or More Credits</b>	<b>5 to Less Than 9 Credits</b>	<b>Less Than 5 Credits</b>
Abington	\$126.00	\$95.00	\$39.00
Altoona	126.00	95.00	39.00
Beaver	126.00	95.00	39.00
Berks	126.00	95.00	39.00
Brandywine	126.00	95.00	39.00
DuBois	95.00	71.00	29.00
Erie	126.00	95.00	39.00
Fayette	95.00	71.00	29.00
Great Valley	126.00	95.00	39.00
Greater Allegheny	126.00	95.00	39.00
Harrisburg	126.00	95.00	39.00
Hazleton	95.00	71.00	29.00
Lehigh Valley	126.00	95.00	39.00
Mont Alto	126.00	95.00	39.00
New Kensington	95.00	71.00	29.00
Schuylkill	95.00	71.00	29.00
Shenango	63.00	47.00	20.00
University Park	126.00	95.00	39.00
Wilkes-Barre	63.00	47.00	20.00
Worthington Scranton	95.00	71.00	29.00
York	126.00	95.00	39.00
 Penn State Law	 126.00	 95.00	 39.00

Note: The facilities fee does not apply to students enrolled at Dickinson Law, and the College of Medicine.

## **BOT COMMENTS JULY 22, 2016**

As he contemplated the individual vs. the crowd and why we conform, the great Danish philosopher Søren Kierkegaard wrote in his diary in 1846:

“Truth always rests with the minority because the minority is generally formed by those who really have an opinion, while the strength of a majority is illusory, formed by the gangs who have no opinion.”

With the change in Board leadership today, I thought I would take this opportunity to reflect on the meaning of the word “leadership” as well as to reflect on my first four years of service as a Trustee.

The late management consultant Peter Drucker said, “Management is doing things right; leadership is doing the right things.”

And the late President of ITT Corporation Harold “Hal” Geneen said, “Leadership is practiced not so much in words as in attitude and in actions.”

Leadership.

Only true leadership leads to real change.

Having joined this Board on July 1, 2012, my tenure is longer than all but seven current members.

I came to this Board as its outspoken critic. Some past and present members did not, and do not, appreciate my outspokenness. I understand that. These same members were so concerned by my

prospects of success as a Trustee candidate that they took to a campaign of smear against me.

My very first meeting was July 12, 2012. For those who do not remember, that was the same day the Freeh Report was issued. I will never forget that day so long as I live, for many reasons, not the least of which is that the leadership of the Board at the time, contrary to their subsequent protestations, blindly accepted the findings of Louis Freeh. In fact, both the Chairman at the time and the then Chair of the Board of Trustees Special Investigations Task Force, were clear and unambiguous in their acceptance. Never once did they challenge those findings.

We now know, however, that Louis Freeh's "findings" were nothing more than his opinion. At least that's what he now argues.

Leadership.

Only true leadership leads to real change.

Then, on July 23, 2012, former President Rodney Erickson, without the approval from the full Board of Trustees, signed a Consent Decree with the NCAA appropriately titled "***Binding Consent Decree Imposed By the National Collegiate Athletic Association and Accepted By the Pennsylvania State University,***" resulting in the commitment by the University to pay a \$60 million fine.

With respect to the decision by former leaders of the University to exclude the entire Board from the decision-making process, I remain dumbfounded. In light of the fact that not one member of the Executive Committee, not one, asked to see let alone read or review the Consent Decree prior to its execution is stupefying. Adding insult to injury, the Freeh Report would be accepted for purposes of the Consent

Decree apparently without the knowledge of the members of the Executive Committee. Where was the oversight?

Leadership.

Only true leadership leads to real change.

In November 2012, former Auditor General Jack Wagner issued a Special Report entitled: **Recommendations for Governance Reform at The Pennsylvania State University**. In it, he recommended a reduction in the size of the Board of Trustees from 32 voting members to 22 members (21 voting, 1 nonvoting) and change the way that Business & Industry members are elected. Instead, against the wishes of then Governor-elect Tom Wolf and State Senators Jake Corman and John Yudichak we increased the size of the Board to 38 members (36 voting, 2 nonvoting). Of course, we did so under the guise of reform when in fact we all understood the intent of this change was to further solidify control of this Board in the hands of the unaccountable few.

Leadership.

Only true leadership leads to real change.

As for committee assignments, I must admit that since I joined the Board, I have seen opportunities to utilize the strengths of our membership missed. In an apparent effort to punish certain members, assignments have been made that do little to strengthen our oversight. Furthermore, these assignments only serve to widen the divide among us and weaken this body.

Recently this divide was furthered when in an interview, a former Chair of this body and current Emeritus Trustee decidedly pointed the finger at Alumni-Elected Trustees when she stated, " We have a situation on the board of trustees where some of the nine elected alumni trustees, I

think I could honestly say, have a way of making the board dysfunctional more often than it should be.”

Leadership.

Only true leadership leads to real change.

Let me finish with this reminder.

Along the sidewalk running adjacent to the Old Main lawn is a quarry from which the original stones for Old Main were taken. There sits a plaque with the following inscription:

**The Penn State Honor Code**

A good name is earned by fair play,  
square dealing and good sportsmanship  
in the classroom, on the athletic field  
and in all other college relations.

We earnestly desire that this spirit  
may become a tradition at Penn State.

The Skull & Boones Senior Honor Society

Founded 912

Leadership.

Only true leadership leads to real change.

We look forward to your leadership Mr. Chair.

Thank you.