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MINUTES OF MEETING
BOARD OF TRUSTEES
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December 15, 2015

A special meeting of the Board of Trustees was held telephonically on Tuesday, December 15, 2015, beginning at 4:10 p.m.

The following Trustees were present: Masser (chairman), Lubert (vice chairman), Barron, Benson, Brown, Capretto, Casey, Cotner, Dambly, Dandrea, Doran, Dunn, Eckel, Fenza, Goldstein, Han, Harpster, Hoffman, Huber, Jubelirer, Lord, Lubrano, McCombie, Mead, Metaxas, Oldsey, Pope, Potts, Redding, Rivera, Salvino, Schneider, Schuyler, Silvis, Tribeck, and Weinstein.

Also present by invitation were the Governor's non-voting representative, Hanger, and staff members Andrews, Dunham, Gray, Guadagnino, and Poole.

Chairman Keith Masser's opening remarks are included as follows:

“At its November meeting, the Board discussed, but took no action on, three agenda items. Those items, identified in the November *Agenda* as items 5.D.11, 5.D.12, and 5.D.13, were considerations for final plan approvals and authorizations to expend funds on three capital projects in Southeastern Pennsylvania.

“The Board, over the course of several years, has received informational reports on these capital projects and likewise has taken numerous actions in support of the Board's anticipated final endorsement of the projects. Those considerations included actions in July 2014 for design build selections for these three projects. At its November meeting, and since that time, a number of questions have been asked about these projects. Through the thoughtful and good work of our administration, each Trustee has received in advance an informational document that addresses the questions that were raised. During this time, the administration has had a productive dialogue with various members of the Board about how we can enhance the University's process for capital projects. To assess whether we can improve upon what I believe is an already rigorous process, I have asked the administration to commit to solicit public-private partnership proposals as part of the competitive procurement process for the next residence hall project, which will be at Penn State Altoona in connection with a project at University Park to construct a mixed-use building located on the University-owned Smith property along Atherton Street. These two projects would be test cases to add to the University's experience with public-private partnerships and to further assess their utility for future capital projects. President Barron has committed to this course of action in connection with the two projects. Additionally in a similar vein, I've asked the Finance Business and Capital Planning Committee at its next meeting to consider a separate cost control initiative. Annually, the University, with the oversight of the Finance, Business and Capital Planning Committee, seeks to minimize increases in room and board charges.

“To ensure that the Board is fully informed about this important topic and with the objective of further moderation of room and board increases, I have asked the Finance, Business and Capital Planning Committee to address this subject at its February meeting and to report to the Board on this matter to facilitate a discussion to the full Board.

“Therefore, with that background and context in mind, the sole purpose of today's meeting is for the Board to consider and take action on those three items, together, which are the final plan approval and authorization to expend funds for the residence hall at Penn State Brandywine, for the student union and dining building at Brandywine, and the student apartment building at Penn State Abington.

"May I have a motion to approve [the following resolutions]."

1. RESOLVED, That the final plans for the Residence Hall at Penn State Brandywine, as designed by the joint venture of Barton Malow of Baltimore, Maryland, and EDIS of Malvern, Pennsylvania, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of \$31,500,000.

2. RESOLVED, That the final plans for the Student Union and Dining Building at Penn State Brandywine, as designed by Stantec, Inc. of Philadelphia, Pennsylvania, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of \$19,600,000.

3. RESOLVED, That the final plans for the Student Apartment Building at Penn State Abington, as designed by SMP Architects of Philadelphia, Pennsylvania, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of \$50,600,000.

A motion to approve the resolutions was provided by Trustee Lubert; a second was provided by Trustee Benson.

Trustee Weinstein proposed an amendment to the aforementioned resolutions.

"Whereas the Board of Trustees agreed to approve the Abington and Brandywine projects as proposed, the motion is expanded to also include that the Board of Trustees directs that after January 1st, 2016, student housing projects are non-academic facilities to include as an option a public-private partnership proposal for construction and ownership with management of the facilities remaining with the university. Board of Trustees prior to any final approval by the Board of Trustees of a student housing are not academic facility.

"The objectives of this expanded motion is to trend all future capital and operating expenditures for the university towards supporting increasingly controlled room and board costs to incoming and existing Pennsylvania students for accessibility and diminish student debt metrics to graduating students it's hereby recognize that room and board costs an initiative to also demonstrate stability for tuition costs to students.

Therefore, accordingly the Board of Trustees directs the professional staff of Penn State to bring a plan to the February Board of Trustees meeting for a three-year moratorium to be implemented for the cost of all room and board, including supplemental charges across all Penn State campuses for all categories through the year 2018 compliance with this moratorium will be reported at all subsequent trustee meetings.

A second for the motion to amend the original resolutions was provided by Trustee Oldsey.

Following discussion among the Trustees, and points of clarification provided by Senior Vice President for Finance and Business/Treasurer David Gray, and President Eric Barron, Chair Masser called for a roll call

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vote on the amendment to the original resolution as proposed by Trustee Weinstein. The vote to amend the original resolution was defeated, 14-21.

Chairman Masser called for a roll call vote on the resolution as it was originally presented. The vote to accept the original resolution passed, 22-13.

There being no other business, the meeting adjourned at 5:01 p.m.

The meeting is available in its entirety at
<https://www.youtube.com/watch?v=L19BvWWSNdo>

Respectfully submitted,

Janine S. Andrews
Associate Secretary,
Board of Trustees