

1. **Roll Call**

2. **Approval of the Minutes of Previous Meetings**

Will the Board of Trustees approve the minutes of the meeting of the Board held on November 20, 2015?

Will the Board of Trustees approve the minutes of the meeting of the Board held on December 15, 2015?

3. **President's Report**

4. **Provost's Report**

5. **Update on the Penn State Milton S. Hershey Medical Center**

A. Craig Hillemeier, Chief Executive Officer; Senior Vice President for Health Affairs; and Dean, College of Medicine, the Penn State Milton S. Hershey Medical Center, will provide an update on the Medical Center.

6. **Reports from Standing Committees**

Discussion of action and/or information items by the Standing Committees for consideration by the Board of Trustees:

A. **Committee on Academic Affairs and Student Life** – M. Abraham Harpster, Chair

1) **Discussion of Consent Agenda Items Provided for Information or Approval of the Committee on Academic Affairs and Student Life:**

Information Items -

- a) Information on Undergraduate Programs
- b) Information on Graduate Programs

(See Appendix I)

B. **Committee on Audit and Risk** – Edward B. Brown, III, Vice Chair

1) **Proposed Authorization to Engage Auditors**

Will the Board of Trustees adopt the following resolution:

RESOLVED, That the Officers of the University are authorized to engage Deloitte and Touche, Certified Public Accountants, for the audit of the accounts of the University for the year ending June 30, 2016.

C. **Committee on Compensation** – Paul H. Silvis, Chair

D. **Committee on Finance, Business and Capital Planning** – Mark H. Dambly, Chair

1) **Discussion of Consent Agenda Items Provided for Information or Approval of the Committee on Finance, Business and Capital Planning:**

Information Items –

- a) Bryce Jordan Center Arena House and Sports Lighting Upgrades, University Park
- b) Roof Replacement for Various Buildings, University Park
- c) Hammond Building Mechanical Upgrades, University Park
- d) Sackett Building Mechanical Upgrades, University Park
- e) Holuba Hall Indoor Turf Replacement, University Park
- f) Chiller Replacement for Centralized Biological Lab, University Park
- g) Nittany Apartments Renovation – Phase III, University Park
- h) Atherton Hall Restroom Renovations – Phase IV, University Park
- i) Jordan Hall Restroom Renovations, University Park
- j) Library Classroom Building Chiller Upgrade, Penn State Harrisburg
- k) PSHMG Plastic Surgery Relocation to 30 Hope Drive, The Milton S. Hershey Medical Center
- l) Energy Savings Project – Phase VI, The Milton S. Hershey Medical Center
- m) Hemodialysis System Replacement and Suite Refurbishment, The Milton S. Hershey Medical Center
- n) Utility Upgrades, Penn State Brandywine
- o) Naming of Rooms, Portions of Buildings, and Plazas
- p) Status of Major Construction Programs and Borrowing

Action Items –

- q) Summary of Revised Funds
- r) Summary and Acknowledgement of New Funds and Major Commitments

(See Appendix II)

2) **Proposed Final Plan Approval and Authorization to Expend Funds, Recreational Facility Access Modifications, University Park**

Policy AD73, adopted in July 2012, establishes the parameters for the use of athletic and recreational facilities at all University locations. Recreational facilities are useable only by those individuals with a valid University student or faculty/staff/trustee/retiree identification card, programmed to allow proper access to such facilities, plus one accompanied guest. The sponsoring individual is responsible for their accompanied guest at all times while using the facility. Access to such facilities is only authorized during the time each facility is specifically designated as being open/available for use.

While open, these facilities shall have the appropriate staff on duty to oversee operations being conducted at that facility.

In order to comply with this policy, various modifications are required at central access points into three University Park recreation facilities: White Building, McCoy Natatorium, and Recreation Hall. Increased security measures including physical turnstiles and new space for support staff, will be implemented. The addition of vertical circulation at the McCoy Natatorium and White Building entrances will help ease congestion. The project also includes improvements to related exterior spaces to promote the sense of “main entrances” into the buildings.

Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the final plans for the Recreational Facility Access Modifications, as designed by the Office of Physical Plant Design Services, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of \$7,500,000.

3) **Proposed Final Plan Approval and Authorization to Expend Funds, Intramural Building Expansion – Phase III, University Park**

As part of Penn State's strategy to meet student demand for wellness and recreation facilities, a feasibility study was completed to guide the scope of a phased expansion of the Intramural Building, located at the intersection of Curtin Road and University Drive. Two phases of construction have been completed over the last few years.

The Student Facilities Fee Advisory Committee has endorsed funding for the next and final phase of expansion, which includes an indoor turf field, a multipurpose room, squash courts, and other recreational sports spaces, as well as a club sports office suite and meeting room. The project also includes the fit-out of the lower level shell space with a wellness suite, student recreation space, and athletic training.

Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the final plans for the Intramural Building Expansion – Phase III at University Park, as designed by the firm of Moody Nolan, Inc. of Columbus, Ohio, are approved.

FURTHER BE IT RESOLVED, That authorization to award contracts to construct the project be approved at a cost of \$29,340,000.

4) **Proposed Final Plan Approval and Authorization to Expend Funds, Kostos Building Renovations, Penn State Hazleton**

The University intends to renovate Kostos Building at Penn State Hazleton. It was built in 1970 and houses classrooms, faculty offices, and science labs, which are outdated and inadequate to accommodate the needs of the current pedagogy. The building mechanical systems, original laboratory benches, and related equipment are at or near the end of their useful life cycles.

To address these challenges, the University intends to reorganize laboratory, classroom and office spaces. Any hazardous materials will be abated and restrooms will be renovated for accessibility. The renovation includes new windows, and building system upgrades, such as heating, ventilation, and air conditioning. The project scope also includes swing space for the chemistry and biology labs during construction.

Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the final plans for the Kostos Building Renovations at Penn State Hazleton, as designed by Spillman Farmer of Bethlehem, Pennsylvania, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of \$15,500,000.

5) **Proposed Changes in Room and Board Charges for 2016-17 Academic Year**

It will be necessary to increase room and board charges effective for the 2016 Fall Semester because of increased operating and facility maintenance costs.

Appendix III provides details of the Housing and Food Service Budget Presentation for 2016-17, as well as the proposed rates at University Manor, The Milton S. Hershey Medical Center.

Will the Board of Trustees adopt the following resolution:

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

(See Appendix III)

6) **Proposal for a Multi-Year Capital Plan Assessment on Housing Room Rates for Fiscal Years 2017-2023**

In order to provide the necessary financial support for the Housing and Food Services Capital Plan, a long term commitment to a capital plan assessment over and above the annual room operating cost is needed.

Appendix IV provides details of the additional revenue that must be generated by the room rates each fiscal year from 2017-2022 to provide the necessary funding for the capital plan.

Will the Board of Trustees adopt the following resolution:

RESOLVED, That the annual room rates for all locations between fiscal years 2017-2023 be adjusted over and above the annual operating costs for housing by the amounts shown in Schedule VI attached hereto and which is part of this resolution.

(See Appendix IV)

7) **Proposed Final Plan Approval and Authorization to Expend Funds, New Residence Hall at North Halls, University Park**

In order to offset the loss of available beds while residence halls are offline for the phased renovation of the entire East Halls complex, two new residence halls are being constructed – one at North Halls and one at East Halls.

The new residence hall at North Halls will be located in the center of the North Halls complex. It will include 310 beds, most in double rooms. Private bathrooms

will be constructed in “wet cores” in the center of the building. Common space lounges can be used for supplemental housing if necessary. The building will include an apartment for a Residence Life professional.

The new residence hall will be connected to the campus chilled water system for air conditioning.

Site improvements will result in a loss of approximately 70 parking spaces, which can be absorbed by existing nearby parking structures.

Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the final plans for the New Residence Hall at North Halls at University Park, as designed by Irwin and Leighton of King of Prussia, Pennsylvania, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of \$33,550,000.

8) **Proposed Final Plan Approval and Authorization to Expend Funds, East Halls Renovation – Phase 1a, University Park**

East Halls Renovation - Phase 1a is part of the overall renovations and improvements planned for the entire East Halls complex. The project includes a new residence hall, the renovation of Stuart Hall, and associated site and utility work.

The new residence hall, to be located at the north end of the complex, will include 336 beds, most in double rooms. Private bathrooms will be constructed in “wet cores” in the center of the building. Common space lounges can be used for supplemental housing if necessary. The building will include an apartment for a Residence Life professional.

The bed count of 273 in Stuart Hall will be maintained, most in double rooms. Renovations will include private bathrooms in a central “wet core,” improved student social and service spaces, and moveable student room furniture. The building will include an apartment for a Residence Life professional. Aging and inefficient building systems will be replaced and the new building and Stuart Hall will be connected to the campus chilled water system for air conditioning.

Site improvements will include improved and accessible pedestrian circulation, updated recreational spaces, improved landscaping, and redistributed and more functional parking. The project scope includes providing utility connections for the Findlay Dining Commons renovation and the north half of East Halls.

Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the final plans for the East Halls Renovation – Phase 1a at University Park, as designed by Clayco of Saint Louis, Missouri, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of \$65,100,000.

9) **Conflict of Interest – Approval of Contract with SilcoTek, University Park**

Article VIII, Section 8.05(a) of the *Bylaws* of the University, provides that, "A contract or transaction between the University and a Trustee, family member or an entity in which the Trustee or family member has a beneficial interest of ten percent (10%) or more and the contract is valued at \$10,000 or more must be approved by the Board of Trustees in accordance with this Section." "In circumstances where the Trustee, family member or related entity is purchasing goods or services from the University, as opposed to selling such goods or services, the matter is presumptively in the University's interests if the price is fair and reasonable and the contract or transaction does not foreclose a similar transaction with another individual or entity." The interested Trustee must leave the meeting during discussion and voting. The Board shall determine by a majority vote of the disinterested Trustees whether the transaction or arrangement is in the University's best interests, the price and value provided are fair and reasonable to the University and whether to approve the transaction or arrangement.

This transaction involves a payment of \$100,000 over an 18-month period by SilcoTek to the User Research Facilities (132 Land & Water Building, University Park). Trustee Paul Silvis has a beneficial interest of ten (10%) or more of SilcoTek. It is proposed that four research scientists at SilcoTek (Min Yuan, James Mattzela, David Smith and Thomas Vezza) will perform surface analysis and materials characterization tests, followed by a data analysis discussion. According to John Hanold, Director of Sponsored Programs, and Susan Wiedemer, Associate Controller, the rates in this proposal are utilized consistently with other customers, and are fair and reasonable. In entering into this agreement, this transaction does not foreclose a similar transaction with another individual or entity.

Trustee Silvis has not participated in the discussion of the Committee with respect to this matter and will not vote on the matter.

Will the Board of Trustees adopt the following resolution:

RESOLVED, That receipt of payment by SilcoTek of \$100,000 to the User Research Facilities (132 Land & Water Building, University Park) for four research scientists at SilcoTek (Min Yuan, James Mattzela, David Smith and Thomas Vezza) to perform surface analysis and materials characterization tests, followed by a data analysis discussion, is hereby approved.

E. **Committee on Governance and Long-Range Planning – Keith W. Eckel, Chair**

1) **Proposed Concurrence with "Our Commitment to Impact: The Pennsylvania State University's Strategic Plan for 2016 to 2020"**

Will the Board of Trustees adopt the following resolutions:

WHEREAS, as the result of a broad and inclusive two-year process that involved unit-level planning for 48 academic and administrative units across the University; and

WHEREAS, the Committee on Governance and Long-Range Planning at its meeting on January 4, 2016, and in accordance with the Board's *Bylaws*, approved the 2016 to 2020 Strategic Plan;

THEREFORE BE IT RESOLVED, That the Board of Trustees concurs with the Strategic Plan as set forth in "Our Commitment to Impact: The Pennsylvania State University's Strategic Plan for 2016 to 2020."

F. **Committee on Legal and Compliance** – Richard K. Dandrea, Chair

G. **Committee on Outreach, Development and Community Relations** – Ryan J. McCombie, Chair

7. **Appointment of Directors of Penn State Health**

In March 2015 the Board of Trustees appointed the initial Board of Directors of Penn State Health, the nonprofit corporation organized for the purpose of acquiring St. Josephs Regional Health Network of Reading, Pennsylvania, entering into the proposed transaction with Pinnacle Health System of Harrisburg, Pennsylvania (presently the subject of litigation with the Federal Trade Commission), and to provide oversight and governance of an expanded health enterprise including Penn State Milton S. Hershey Medical Center.

The initial appointments to the Board of Directors were for a term of one year. It is proposed to reappoint all current Directors for a renewal term of one year, commencing March 15, 2016.

Will the Board of Trustees adopt the following resolution:

RESOLVED, that the following persons be elected to the Board of Directors of Penn State Health, for a one-year term commencing March 15, 2016:

- | | |
|--------------------|---------------------------|
| Dennis P. Brenckle | Rodney A. Erickson, Ph.D. |
| Peter N. Carlino | David J. Gray |
| Kathleen L. Casey | A. Craig Hillemeier, M.D. |
| Mark H. Dambly | Keith E. Masser |

8. **Proposed 2017 Dates for Meetings of the Board of Trustees**

Will the Board of Trustees approve the proposed meeting dates for **2017** as follows (unless otherwise noted, all meetings will be held at University Park):

- | | |
|-----------------------|--|
| January 12-13, 2017 | (Thursday-Friday) – Board Retreat/Professional Development |
| February 23-24, 2017 | (Thursday-Friday) |
| May 4-5, 2017 | (Thursday-Friday) |
| July 20-21, 2017 | (Thursday-Friday) – Penn State Harrisburg |
| September 14-15, 2017 | (Thursday-Friday) |
| November 9-10, 2017 | (Thursday-Friday) |

REMINDER: The Board of Trustees approved meeting dates for **2016** as follows:

- | | |
|-----------------------|---|
| February 25-26, 2016 | (Thursday-Friday) – Hershey |
| May 5-6, 2016 | (Thursday-Friday) |
| July 21-22, 2016 | (Thursday-Friday) – Penn State Wilkes-Barre |
| September 15-16, 2016 | (Thursday-Friday) |
| November 3-4, 2016 | (Thursday-Friday) |

2/26/2015

BOT 8

9. **Selection of Recipients of the 2016 Distinguished Alumni Award**

A report of the Distinguished Alumni Award Screening Committee will be presented by Keith E. Masser, Chairman.

Will the Board of Trustees select, by written ballot, persons to receive the Distinguished Alumni Award in June 2016?

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

Residence Hall Room Rates*Rate/Person/Semester*

Room Description	Number of Occupants	2015/16 Current Rate	2016/17 Proposed Operating Increase	2016/17 Proposed Capital Assessment	2016/17 Proposed Rate	2016/17 Proposed Increase
Standard Double	2	\$2,860	\$60	\$50	\$2,970	\$110
Standard Double/Bath	2	3,010	65	55	3,130	120
Renovated Double	2	3,100	72	58	3,230	130
Small Double	2	2,145	47	38	2,230	85
Triple	3	2,575	55	45	2,675	100
Triple/Bath	3	2,860	60	50	2,970	110
Quad	4	2,575	55	45	2,675	100
Quad/Bath	4	2,860	60	50	2,970	110
Quad as Triple	3	2,860	60	50	2,970	110
Standard Single	1	3,900	95	75	4,070	170
Standard Single/Bath	1	3,975	95	80	4,150	175
Renovated Single	1	3,975	95	80	4,150	175
Eastview Single/Bath	1	4,960	120	100	5,180	220
Eastview Large Single/Bath	1	5,330	130	105	5,565	235
RA Rate	1	1,855	20	15	1,890	35
Standard Double Suite	2	3,375	75	60	3,510	135
Standard Double Suite as Triple	3	2,850	60	50	2,960	110
Standard Single Suite	4	3,945	95	80	4,120	175
Double Suite	2	3,625	80	65	3,770	145
Single Suite	1	4,780	115	95	4,990	210

Supplemental assignments will be priced at a 20 percent discount from the applicable suite or room rate.

Single occupancy of rooms intended for double occupancy will be priced at 25 percent more than the double occupancy rate for that room type.

Apartment Rates

Room Description	Number of Occupants	2015/16 Current Rate	2016/17 Proposed Operating Increase	2016/17 Proposed Capital Assessment	2016/17 Proposed Rate	2016/17 Proposed Increase
University Park, Nittany Apartment						
<i>Rate/Person/Semester*</i>						
2 Bedroom Garden	4	\$3,460	\$77	\$63	\$3,600	\$140
4 Bedroom Garden	4	3,895	85	70	4,050	155
4 Bedroom Townhouse	4	4,035	88	72	4,195	160
Erie, Behrend Apartment						
<i>Rate/Person/Semester*</i>						
2 Bedroom Garden	4	3,460	77	63	3,600	140
Harrisburg Apartment						
<i>Rate/Person/Semester*</i>						
Apartments-Bedroom Single	4	4,140	88	72	4,300	160
Apartments-Bedroom Double	6	3,640	77	63	3,780	140
Apartments-Bedroom Triple	9	3,275	68	57	3,400	125
University Park, Graduate Family Apartment						
<i>Rate/Month*</i>						
White Course 1 Bedroom	N/A	1,065	20	15	1,100	35
White Course 2 Bedroom	N/A	1,210	22	18	1,250	40
White Course 3 Bedroom	N/A	1,360	22	18	1,400	40
White Course 3 Bedroom w/Half Bath	N/A	1,375	22	18	1,415	40
University Park, Graduate Apartment						
<i>Rate/Person/Month*</i>						
White Course 4 Bedroom	4	850	16	14	880	30

*Room rate includes utilities

**Board Plan
Rates/Semester**

Meal Plan	2015/16 Current Rate	2016/17 Proposed Rate	2016/17 Proposed Increase	2016/17 Dining Dollars
Plan 1	\$2,065	\$2,110	\$45	755
Plan 2	2,155	2,200	45	845
Plan 3	2,215	2,260	45	905
Plan 4	2,340	2,385	45	1,030
Plan 5	2,420	2,465	45	1,110
Plan 6	2,600	2,645	45	1,290

History of Double Room and Meal Plan 3 Rates 2012–2017

Year	Semester Rate	Semester Increase	Percent Increase
2016/17 <i>proposed</i>	\$5,230	\$155	3.05%
2015/16	\$5,075	\$190	3.89%
2014/15	\$4,885	\$200	4.27%
2013/14	\$4,685	\$190	4.23%
2012/13	\$4,495	\$125	2.86%
2011/12	\$4,370	\$185	4.42%

UNIVERSITY MANOR APARTMENTS

CURRENT vs. PROPOSED MONTHLY RENTAL RATES

<u>Type Occupancy</u>	<u>No. Units</u>	<u>Current Rates Per Apt.</u>	<u>Proposed Rates Per Apt.</u>	<u>Amount Increase</u>
University Manor East				
1 Bedroom (with Washer/Dryer)	24	\$ 910	\$ 925	\$ 15
2 Bedroom (with Washer/Dryer)	208	\$ 1,080	\$ 1,100	\$ 20
3 Bedroom (with Washer/Dryer)	16	\$ 1,218	\$ 1,248	\$ 30
University Manor West				
4 Bedroom (furnished) *	31	\$ 2,168	\$ 2,224	\$ 56

* NOTE: Proposed monthly increase per bedroom is \$14

RENTAL RATE COMPARISON
UNIVERSITY MANOR VS. PRIVATE APARTMENT COMPLEXES

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

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

DIFFERENCES BETWEEN UNIVERSITY MANOR
AND PRIVATE APARTMENT RENTAL RATES

	<u>Average Private Rates</u>	<u>Proposed Rates</u>
1 Bedroom	\$ 989	\$ 64 less
2 Bedroom	\$ 1,120	\$ 20 less
3 Bedroom	\$ 1,351	\$ 103 less
4 Bedroom	\$ 2,730	\$ 506 less

University Manor (Proposed Rates as of July 1, 2016):

	<u>Proposed Rates</u>
1 Bedroom	\$ 925
2 Bedroom	\$ 1,100
3 Bedroom	\$ 1,248
4 Bedroom	\$ 2,224

Housing and Food Services is proposing the following schedule for the capital assessment through 2023, or year 10 of the overall capital plan.

Fiscal Year	Capital Assessment Average Increase per Semester
2016/17	\$56
2017/18	\$59
2018/19	\$62
2019/20	\$66
2020/21	\$69
2021/22	\$73
2022/23	\$78

1. Information on Undergraduate Programs

A. College of Communications, College of Information Sciences and Technology

1) Digital Media Trends and Analytics: New Minor

This minor prepares students for career opportunities in the growing areas of digital media, advertising and analytics. The authorization for the new minor will become effective Summer 2016.

B. College of Health and Human Development

1) Applied Exercise and Health Option to the Bachelor of Science in Kinesiology: New Option

The new option will provide applied interdisciplinary training in the foundations of the scientific understanding of exercise and health through the lifespan. Students identify one of two areas of emphasis that are certification based and practice-oriented: (a) courses and practical experiences directed toward certification by organizations such as the American College of Sports Medicine (ACSM) or the National Strength and Conditioning Association (NSCA), or (b) a series of courses and student teaching leading to teacher certification. The authorization for the new option will become effective Fall 2016.

C. College of Engineering, College of Information Sciences and Technology, College of Science

1) Bachelor of Science in Data Sciences: New Program

This intercollege program will educate students on the technical fundamentals of data sciences, with a focus on developing the knowledge and skills needed to manage and analyze large scale unstructured data to address an expanding range of problems in industry, government, and academia. The authorization for the new program will become effective Summer 2016.

2. Information on Graduate Programs

A. Medical Doctor (M.D.) at the College of Medicine and the Ph.D. in Molecular, Cellular, and Integrative Biosciences (MCIBS), an Intercollege Graduate Degree Program: New Joint Degree Program

This proposal was published in the Graduate Council Curriculum (GCCR) on September 9, 2015, and the 30-day comment period ended on October 9, 2015.

The objective of the M.D./Ph.D. program is to establish a nationally-recognized training program that combines the medical training at Hershey with the strength in research throughout Penn State, including at University Park. As part of the effort to partner medical training and life science research in the most productive manner at Penn State, M.D./Ph.D. students accepted to the M.D./Ph.D. program at the College of Medicine have always been encouraged to fully explore all options for their Ph.D. training at both Hershey and University Park. This open access to research at both campuses allows the program to attract the best students, and also to match students with labs that fit their interests and motivation as closely as possible. The proposed joint degree program with Molecular, Cellular and Integrative Biosciences (MCIBS) will allow M.D./Ph.D. students access to over 120 life sciences labs at University Park.

B. Master of Engineering degree in Facilities Engineering and Management in the Department of Architectural Engineering in the College of Engineering: New Program

The proposal to create a new graduate program offering a Master of Engineering degree in Facilities Engineering and Management was published in the Graduate Council Curriculum Report (GCCR) on October 14, 2015, and the 30-day comment period has ended.

This proposal seeks to establish a new 1-year Master of Engineering in Facilities Engineering and Management, which is intended to prepare a new generation of professionals in the field of facilities management. The program will address the critical need for professionals with relevant expertise in the management of facilities – from individual buildings to campus-wide physical plant or a distributed portfolio of facilities.

C. Social Data Analytics: Dual-Title Doctoral Program and Graduate Minor

The proposal to create a new dual-title doctoral program and graduate minor in Social Data Analytics was published in the Graduate Council Curriculum Report (GCCR) on October 14, 2015, and the 30-day comment period has ended. The graduate program in Political Science proposes initial adoption of the dual-title degree program.

The program enables students from diverse graduate programs to attain and be identified with an interdisciplinary array of tools, techniques, and methodologies for social data analytics, while maintaining a close association with a home discipline. Social data analytics is the integration of social scientific, computational, informational, statistical, and visual analytic approaches to the analysis of large or complex data that arise from human interaction.

D. Adult Education Graduate Program to Lifelong Learning and Adult Education: Name Change

The proposal to change the name of the Adult Education graduate program to Lifelong Learning and Adult Education, add formal options and change the degree requirements for the Master of Education, and add new courses in an online format to be offered through World Campus was published in the Graduate Council Curriculum Report (GCCR) on November 11, 2015, and the 30-day comment period has ended.

Lifelong Learning is a term widely used in public discourse, policy, and research, both in the U.S. and internationally. This name change will make the nature of our degree more recognizable to a wider range of prospective students. Whereas "education" emphasizes teachers and educational providers, "lifelong learning" focuses on the learners. These changes will reinvigorate and update the Master of Education degree program and make the program more attractive to prospective students.

E. Master of Professional Studies in Corporate Training in the Learning and Performance Systems Department in the College of Education: New Program

The proposal to create a new graduate degree program offering a Master of Professional Studies in Corporate Training was published in the Graduate Council Curriculum Report (GCCR) on November 11, 2015, and the 30-day comment period has ended.

The proposed Corporate Training Master of Professional Studies (M.P.S.) is designed for training and development professionals who are seeking advanced education to enhance their careers and to better support the goals and objectives of the organizations they serve. Existing Penn State programs with offerings in corporate training primarily serve narrower foci. A master's degree that is focused specifically on the preparation of corporate training professionals is currently needed at Penn State, which combines the best and most targeted practical learning experiences for future corporate trainers.

1. **Bryce Jordan Center Arena House and Sports Lighting Upgrades, University Park**

The University intends to upgrade the house and sports lighting systems in the arena of the Bryce Jordan Center with new energy-efficient LED fixtures. The existing metal halide fixtures are nearing the end of their useful life and require annual lamp replacement. The project also includes controls and electrical infrastructure upgrades. The cost estimate for this project is \$1,750,000.

(See Appendix II.1)

2. **Roof Replacement for Various Buildings, University Park**

The University is planning roof replacement projects for as many as eleven buildings on the University Park campus during the summer of 2016 – Academic Projects, Agricultural Science & Industries, CATO Park Annex II, Engineering Units A and B, Hallowell, Mateer, Pavilion Theatre, Pollock Building, Supplemental Mail, Technology Center, and Thomas. Project design will emphasize maximizing longevity of the replacement roofing systems and future maintenance for the roofs and rooftop-mounted equipment. The project scope may include masonry restoration and repair as required to ensure a watertight installation, related mechanical work to raise roof curbs, and installation of permanent fall protection systems. The cost estimate for this project is \$3,600,000.

3. **Hammond Building Mechanical Upgrades, University Park**

The University intends to upgrade the chilled and hot water piping systems and equipment in Hammond Building as part of the mechanical major maintenance program. The project includes new pumps, variable speed drives, heat exchangers, chemical water treatment equipment, control valves, and insulation. It also includes controls upgrades and flushing and cleaning of the piping systems. The cost estimate for this project is \$2,000,000.

(See Appendix II.2)

4. **Sackett Building Mechanical Upgrades, University Park**

The University intends to upgrade the chilled and hot water piping systems and equipment in Sackett Building as part of the mechanical major maintenance program. The project includes new pumps, variable speed drives, heat exchangers, chemical water treatment equipment, control valves, steam valves, and insulation. It also includes controls upgrades and flushing and cleaning of the piping systems. The cost estimate for this project is \$1,200,000.

(See Appendix II.3)

5. **Holuba Hall Indoor Turf Replacement, University Park**

The existing artificial turf field surface in Holuba Hall is worn and at the end of its useful life. It was last replaced in the summer of 2003. The University intends to replace it with a new infill artificial turf surface at a cost estimate of \$2,033,500.

(See Appendix II.4)

6. **Research Space Renovations and Chiller Replacement for the Centralized Biological Laboratory, University Park**

Several animal research and support spaces in the Centralized Biological Laboratory are in need of upgrades and renovations in order to maintain operational requirements. In addition, two chillers have been failing due to age. The system has been supplemented with temporary chillers the last two summers. The University intends to repair and upgrade the research spaces and replace the chillers with one new heat recovery chiller. The new chiller will be connected to the Materials Research Laboratory mini-chilled water plant, which will provide some energy savings. The project scope includes floor replacement,

humidity control, teaching space improvements, lighting upgrades and related electrical, pump, and utility system upgrades. The cost estimate for this project is \$2,700,000.

(See Appendix II.5)

7. **Nittany Apartments Renovation – Phase III, University Park**

The University intends to renovate twenty apartments, located in three buildings, in the mid-1980s era Nittany residence area. Work includes kitchens, bathrooms, flooring, painting, and lighting. The first phase of this work (thirteen apartments) was completed in 2014 and the second phase (twenty-one apartments) was completed in 2015. The balance of the existing apartments will be addressed in subsequent phases. The cost estimate for this project is \$1,400,000.

(See Appendix II.6)

8. **Atherton Hall Restroom Renovations – Phase IV, University Park**

The University intends to renovate one quarter of the 1939 era bathrooms in Atherton Hall. Four existing multi-user bathrooms, three in the southwest wing and one in the central wing, will be replaced with nineteen new shared private bathrooms. Vestibules with sinks and lockers will also be provided. Additionally an abandoned service stair will be renovated to provide three new student rooms. The first three phases of this work (northeast, northwest, and southeast wings) were completed in 2013, 2014, and 2015. The project completes the student bathrooms renovations in Atherton Hall. The cost estimate for this project is \$1,900,000.

(See Appendix II.7)

9. **Jordan Hall Restroom Renovations, University Park**

The University intends to renovate the 1930 era bathrooms in Jordan Hall. Seven existing multi-user bathrooms will be replaced with twenty-three new shared private bathrooms. The cost estimate for this project is \$1,400,000.

(See Appendix II.8)

10. **Library Classroom Building Chiller Upgrade, Penn State Harrisburg**

An existing chiller and cooling tower within the Library Classroom Building at Penn State Harrisburg have reached the end of their useful lives. The University intends to replace them, which is in line with the campus utility master plan. This project is the first step to providing a centralized chilled water plant that will serve the Library Classroom Building and the Student Enrichment Center with capacity for future projects. The cost estimate for this project is \$1,700,000.

(See Appendix II.9)

11. **Penn State Hershey Medical Group Plastic Surgery Relocation to 30 Hope Drive, The Milton S. Hershey Medical Center**

The Penn State Hershey Medical Group intends to renovate an existing space located at 30 Hope Drive on the Milton S. Hershey Medical Center campus. The renovations will include reconfiguration of Suite 1800 to accommodate the relocation of Plastic & Reconstructive Surgery services. Areas of construction will be the entry, waiting room, front desk area, five (5) examination rooms, nurse's station, physician workroom, patient intake area and a restroom. An existing examination room used by the Breast Care clinic will be converted into a consultation room. Existing procedure rooms and patient care support rooms (soiled utility and clean supply areas) will be shared with the existing Breast Care clinic. This project will allow space to be vacated in the University Physician Center so other outpatient services can expand,

while increasing efficiency by sharing spaces between the Plastic & Reconstructive Surgery and Breast Care clinics. The cost estimate for this project is \$1,119,890.

(See Appendix II.10)

12. **Energy Savings Project – Phase VI, The Milton S. Hershey Medical Center**

The University intends to implement mechanical and control upgrades which will enable the Milton S. Hershey Medical Center operations staff to more efficiently produce chilled water to meet the facilities cooling demands. The upgrades will primarily be implemented at the Central Plant and Satellite Chiller plants, but will impact a majority of the facility. In addition, lighting upgrades will be done in various buildings throughout the facility. The cost estimate for the combined projects is \$2,000,000 with a payback of 7.1 years.

13. **Hemodialysis System Replacement and Suite Refurbishment, The Milton S. Hershey Medical Center**

The Penn State Hershey Medical Center is planning to replace the existing water treatment system and associated piping for the Hemodialysis Department, which is located on the first floor of the University Physician Center II. The water treatment system generates pure water through a reverse osmosis process. The pure water is then used in the hemodialysis treatment for patients. The project scope includes refurbishing the hemodialysis suite which will include new ceilings, lightings, cubicle curtains, paint, wall protection, flooring, casework, larger doors to the suite entrance and some minor wall changes. The renovated area is approximately 4,200 square feet. The cost estimate for this project is \$1,100,000.

(See Appendix II.11)

14. **Utility Upgrades, Penn State Brandywine**

A campus utility master plan was completed for Penn State Brandywine in preparation for the new residence hall and student union and dining projects. It was determined that utility infrastructure upgrades are necessary to service the campus now and to accommodate future buildings in the campus master plan. The upgrades include electrical and gas distribution, sanitary sewer, water distribution, and telecommunications improvements. The cost estimate for this project is \$2,750,000.

(See Appendix II.12)

15. **Naming of Rooms, Portions of Buildings, and Plazas**

The Facilities Naming Committee has made certain recommendations to the President on the naming of rooms, portions of buildings and plazas. In accordance with the Policy on Naming University Facilities, the Board of Trustees is hereby informed that the President has approved the following naming actions:

- A. Name the Collaborative Learning Room #2 in the Morgan Academic Support Center/Greenberg Complex in recognition of an irrevocable pledge from Joseph and Jill Barrasse. The recognition plaque will read:

*In Memory of Cody Jude Barrasse
The Barrasse Family
Collaborative Learning Room*

- B. Name the Learning Skills Office #1 in the Morgan Academic Support Center/Greenberg Complex in recognition of an irrevocable pledge from Joseph and Linda McKenna. The recognition plaque will read:

*Joe and Linda McKenna
Learning Skills Office*

- C. Name the Reception Area in the Lasch Football Building in recognition of an irrevocable pledge from Dallas and Di Krapf. The recognition plaque will read:

*Di and Dallas Krapf
Reception Area*

- D. Name the 3D Printing Lab in the Steidle Building in recognition of a gift from Arkema, Inc. The recognition plaque will read:

Arkema Additive Manufacturing Laboratory

Name the Student Lounge in the Steidle Building in recognition of a gift from William A. Turney. The recognition plaque will read:

William A. Turney, B.S. Ceramic Technology 1965, Student Lounge

16. **Status of Major Construction Programs and Borrowing**

(See Appendix II.13)

17. **Summary of Revised Funds**

Will the Committee on Finance, Business and Capital Planning recommend to the Board of Trustees adoption of the following resolution:

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 October 26, 2015 to January 29, 2016, be revoked and that the Officers of the University are authorized to put into effect the revised regulations as requested by the donors.

18. **Summary and Acknowledgement of New Funds and Major Commitments**

The Committee on Finance, Business and Capital Planning is advised that for the period October 26, 2015 through January 29, 2016, 39 new funds totaling approximately \$5,713,235 were accepted by the University, including scholarships, fellowships, etc. All of these items conform to established University policies and regulations.

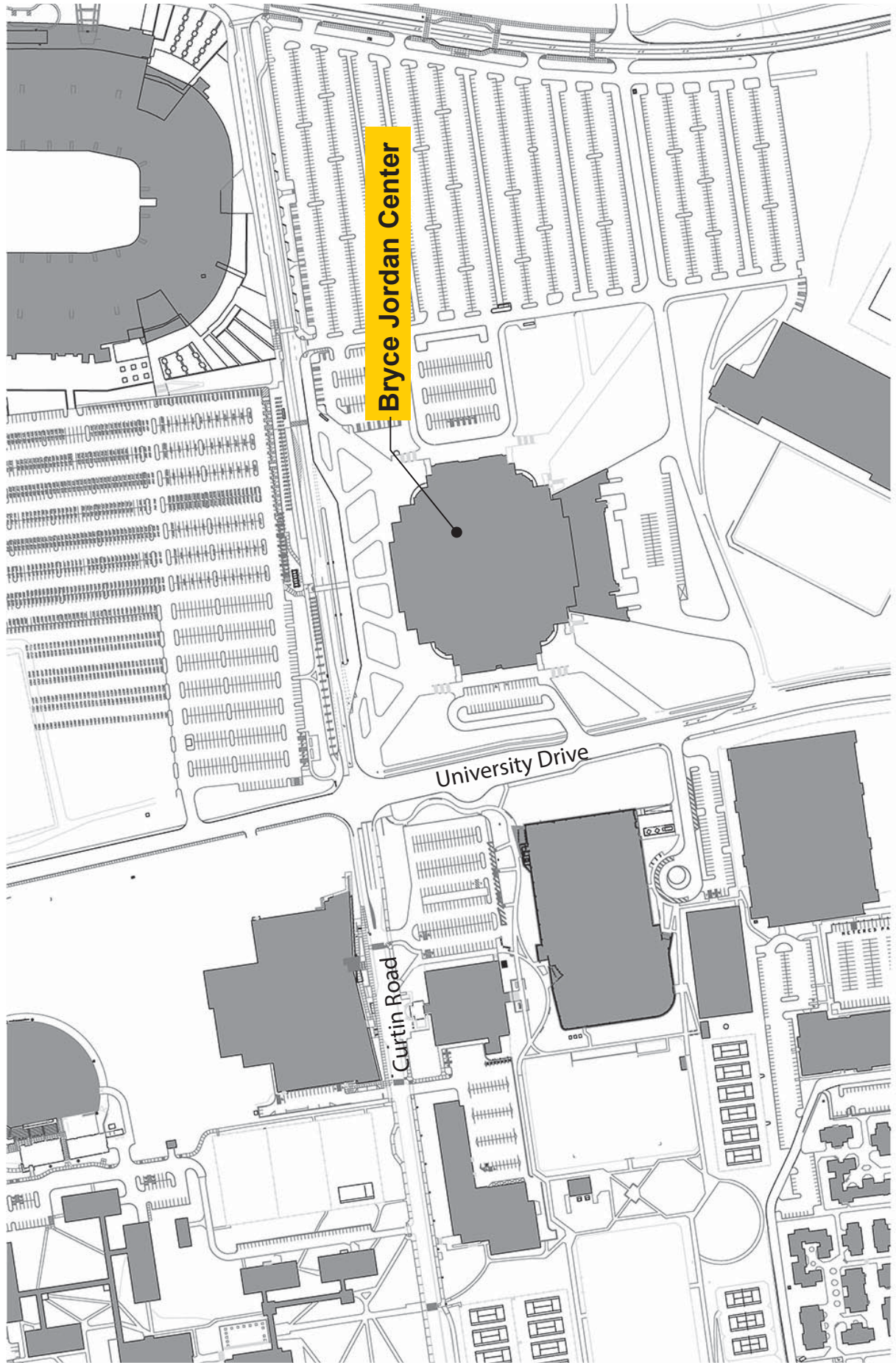
For the period September 1, 2015 through December 31, 2015, 93 major commitments were accepted by the University totaling approximately \$37,473,319.

Will the Committee on Finance, Business and Capital Planning recommend to the Board of Trustees adoption of the following resolutions:

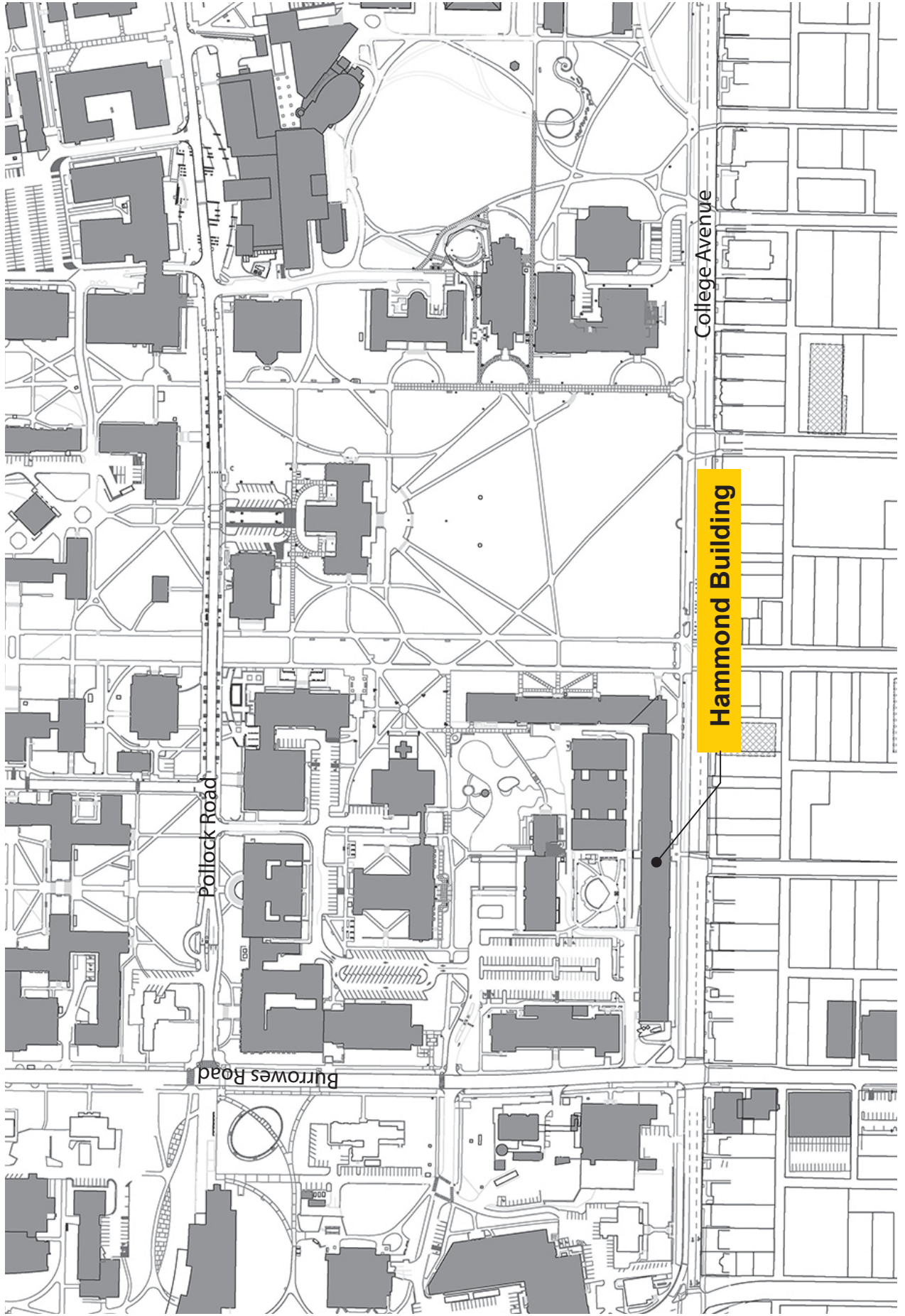
RESOLVED, That the Board of Trustees gratefully acknowledges the generous contributions of the many friends of the University identified in the *Summary and Acknowledgement of New Funds and Major Commitments*, in support of endowments, funds, and other major commitments as reported to the Committee on Finance, Business and Capital Planning at its meeting of February 25, 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.

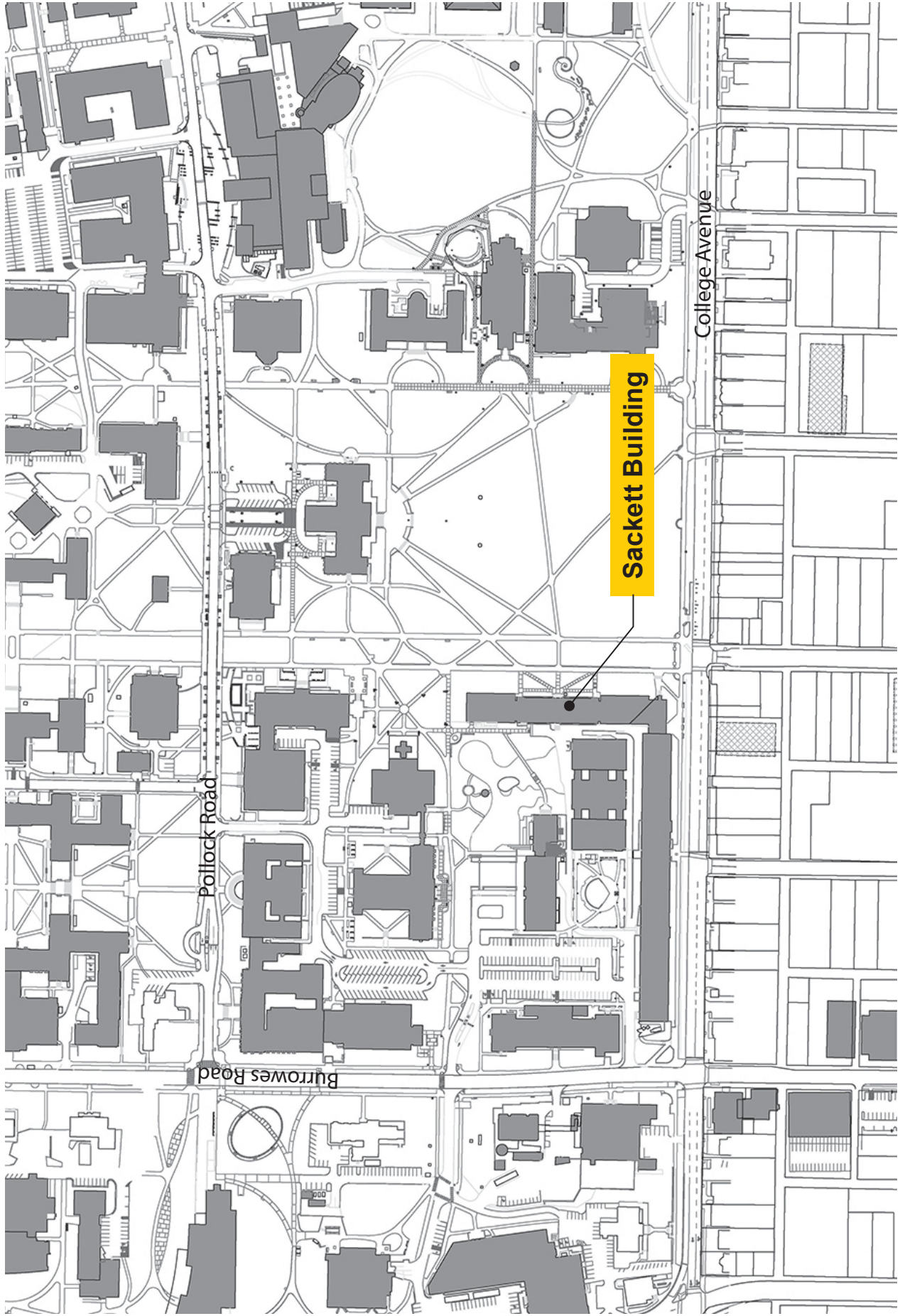
University Park



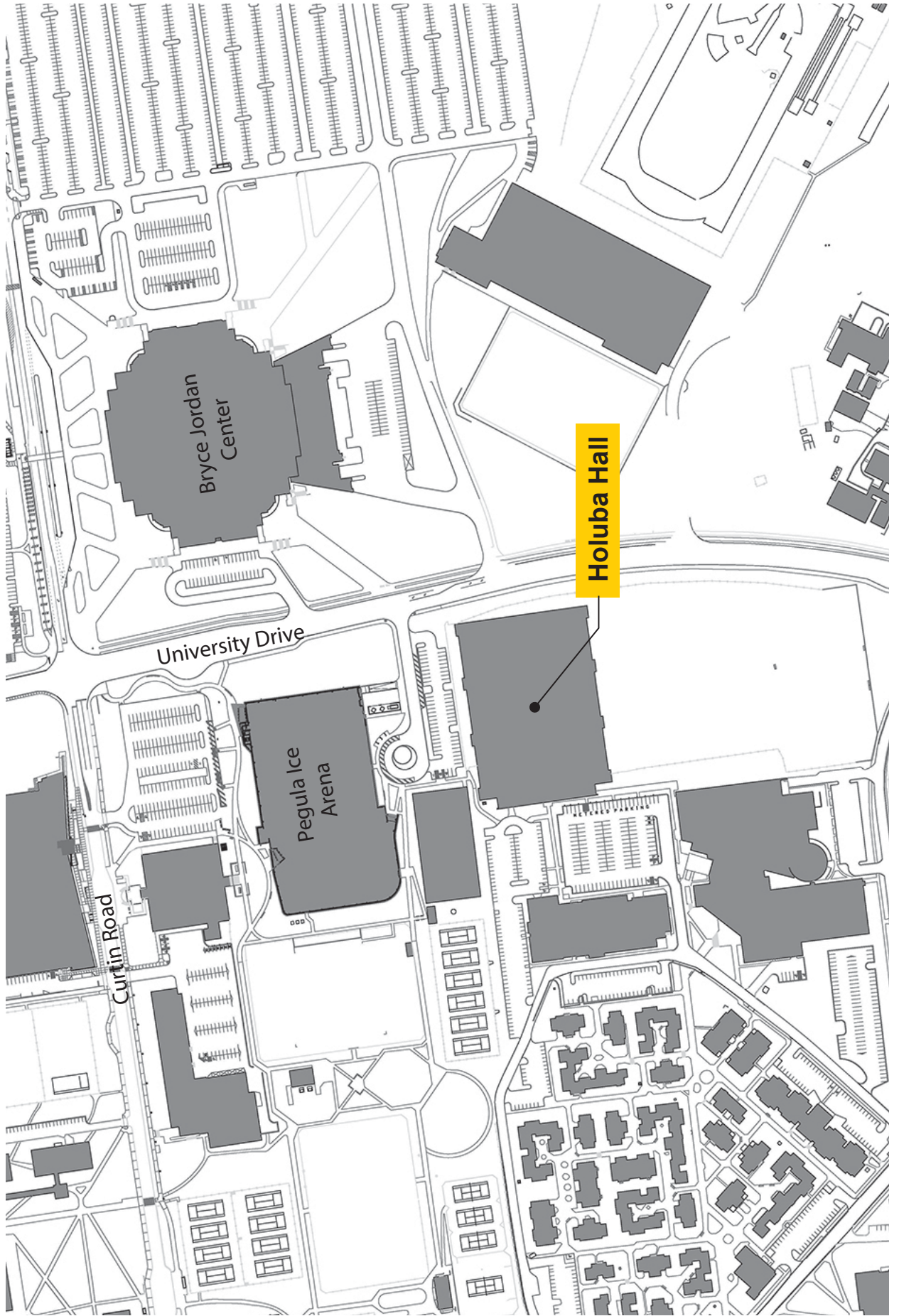
University Park



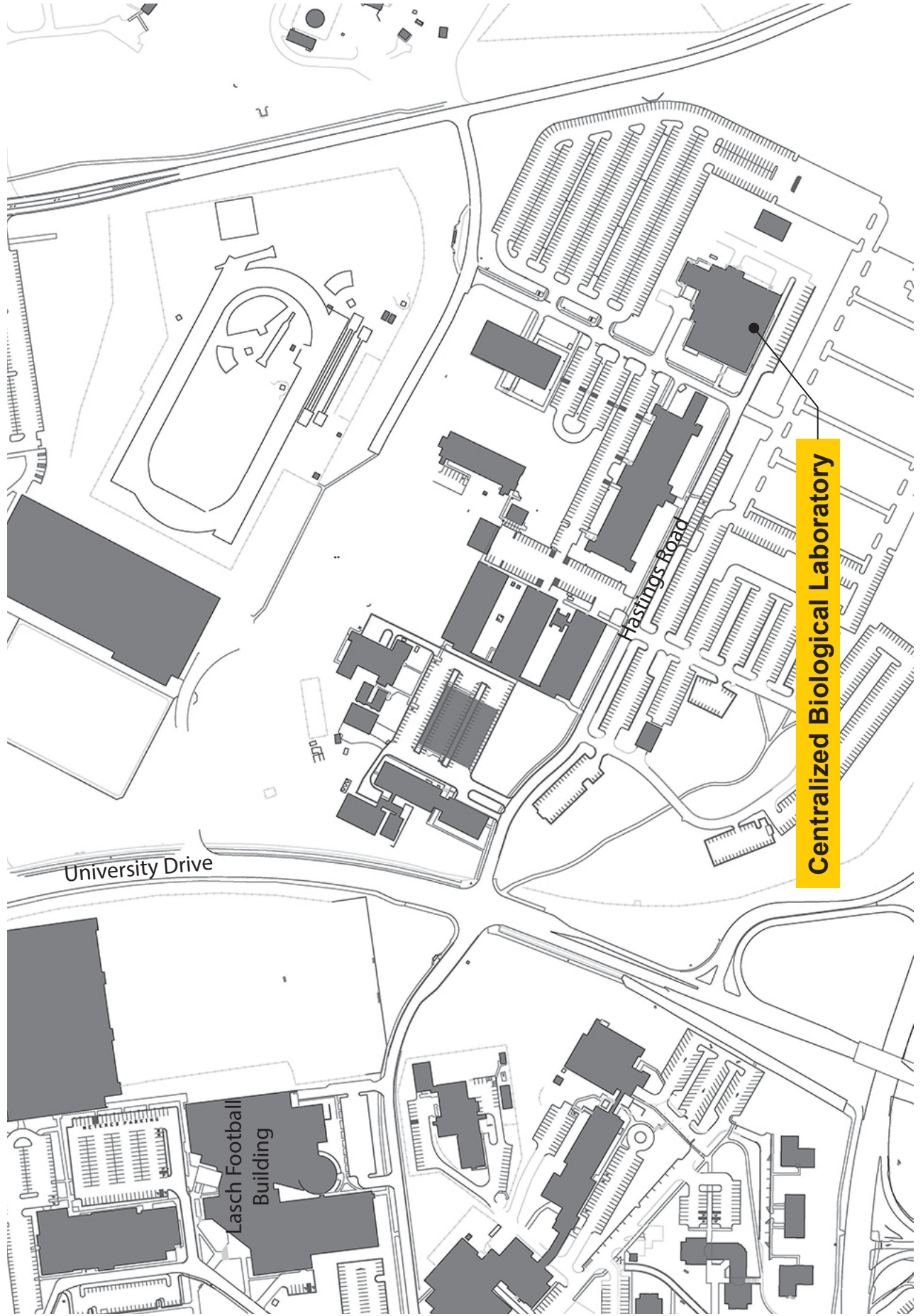
University Park



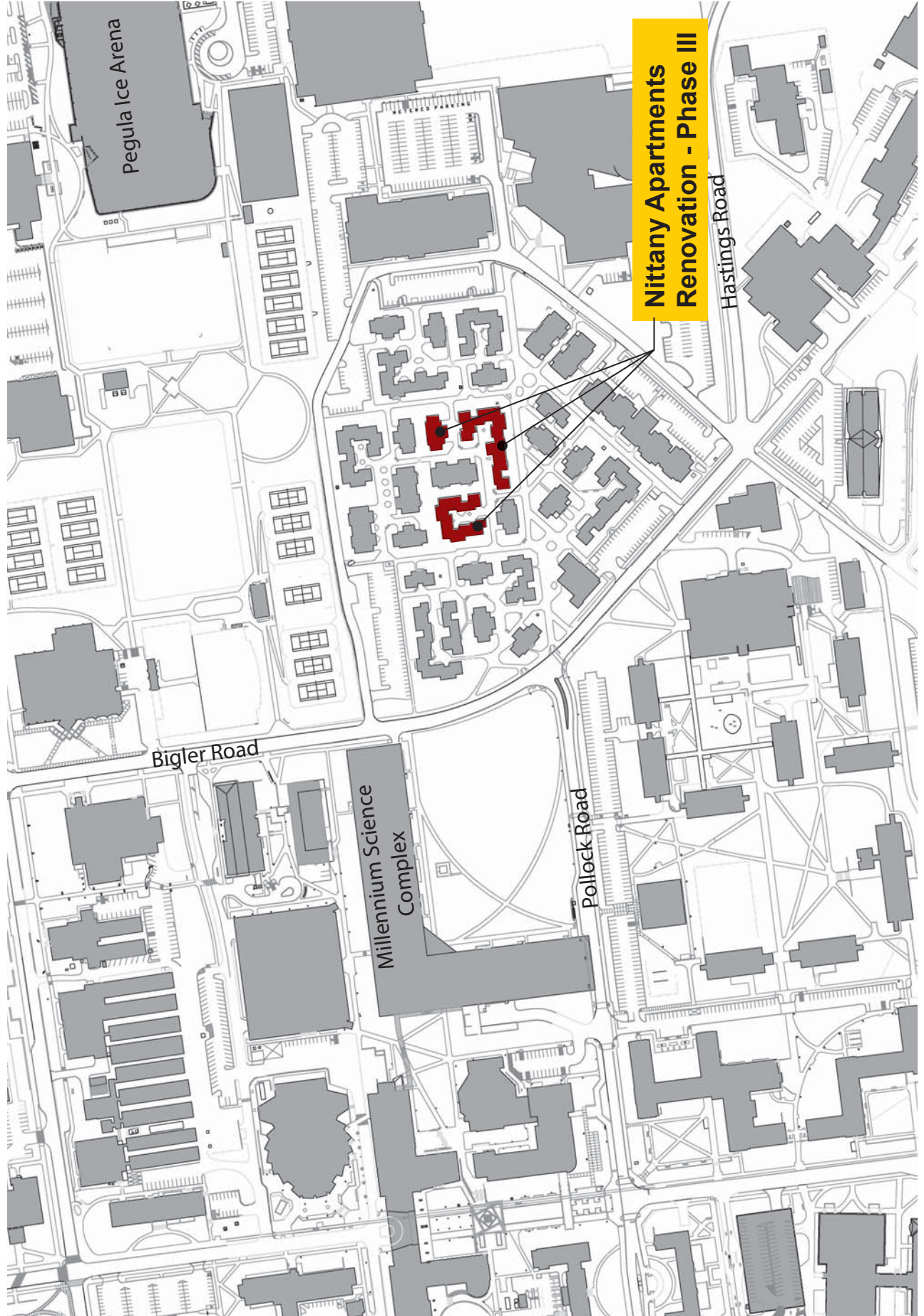
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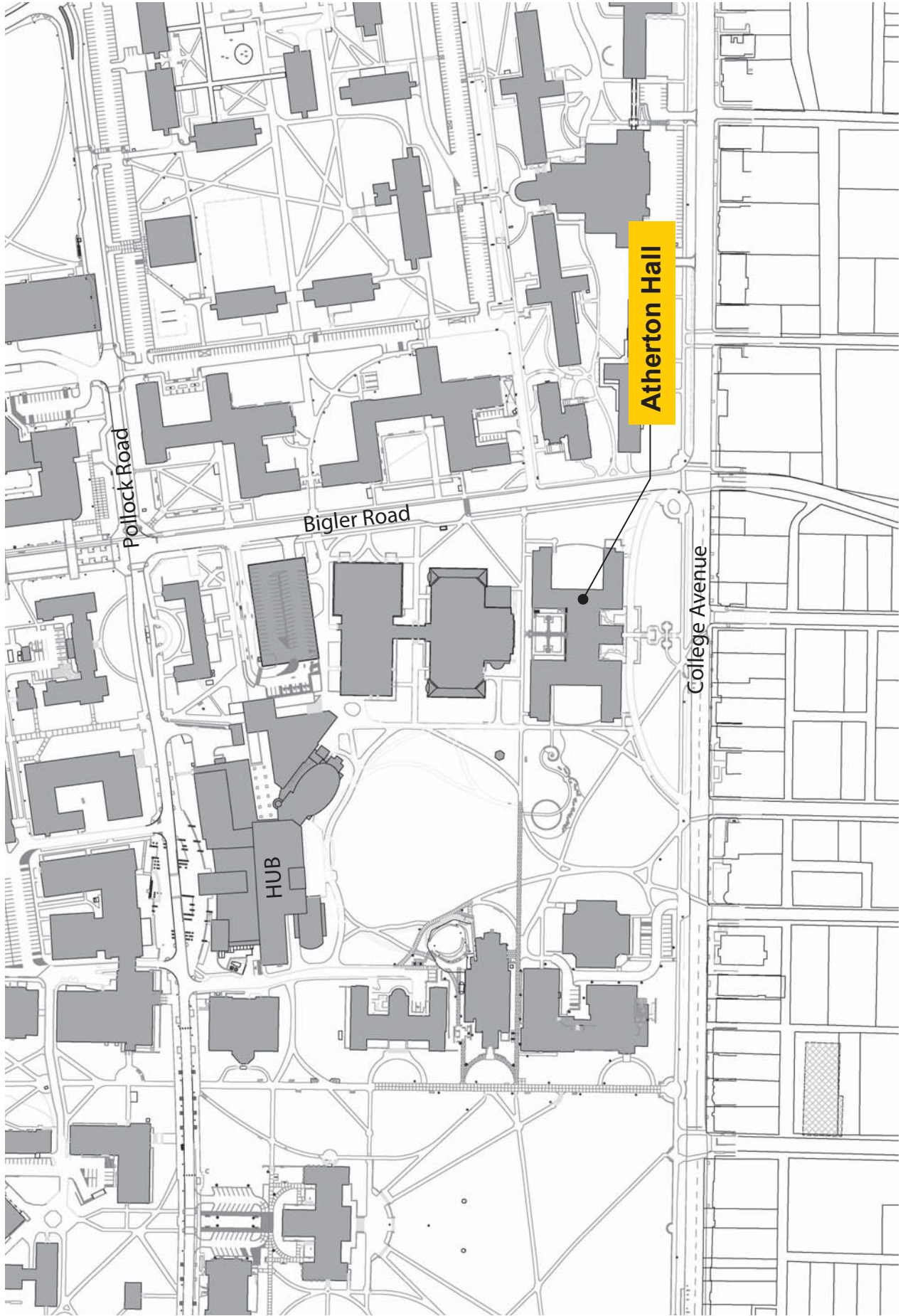
University Park



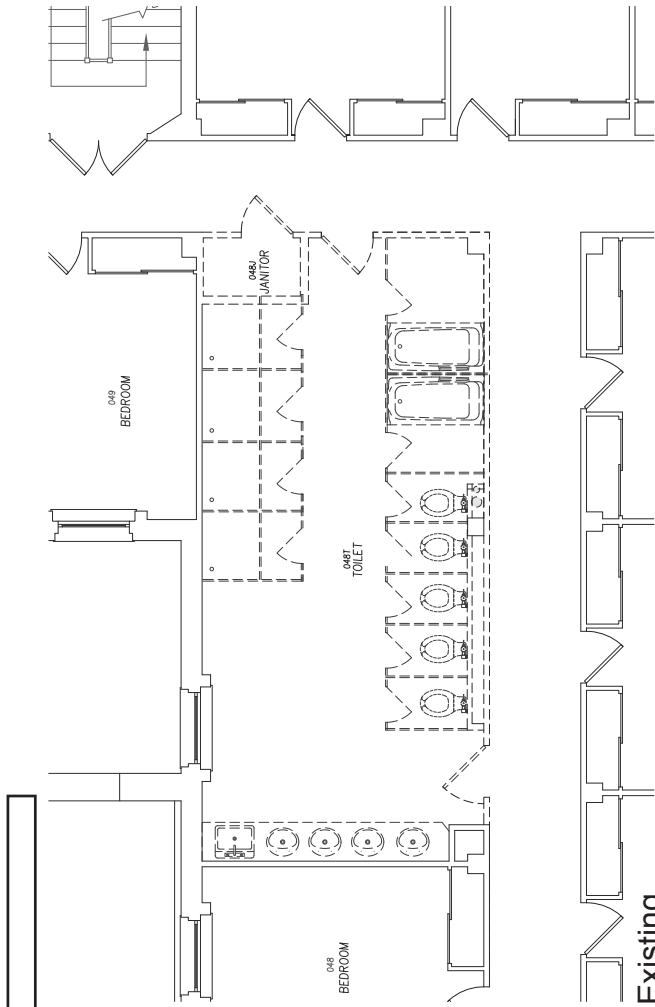
University Park



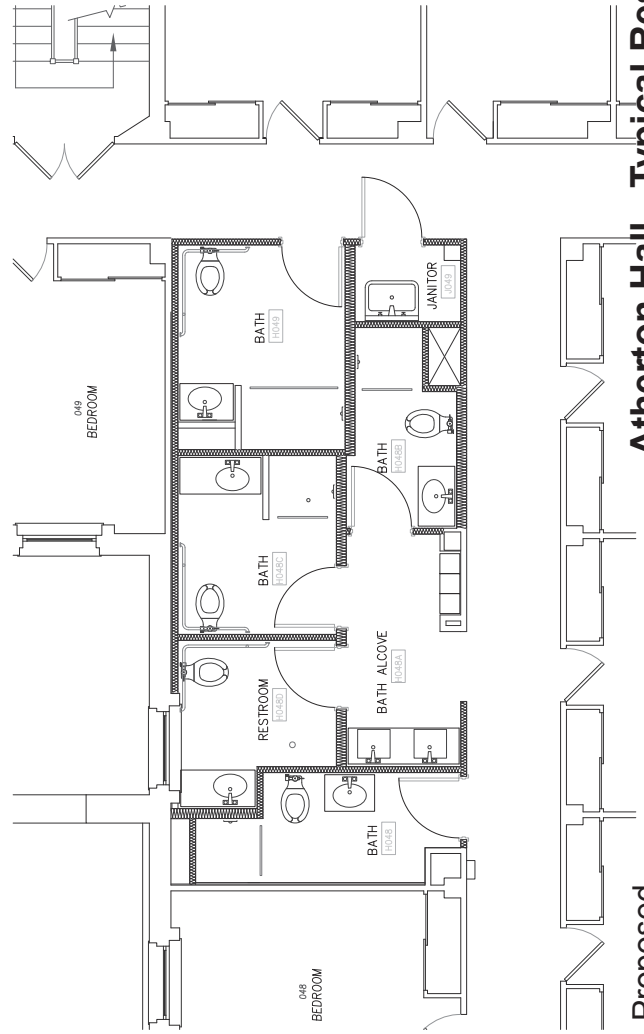
University Park



University Park



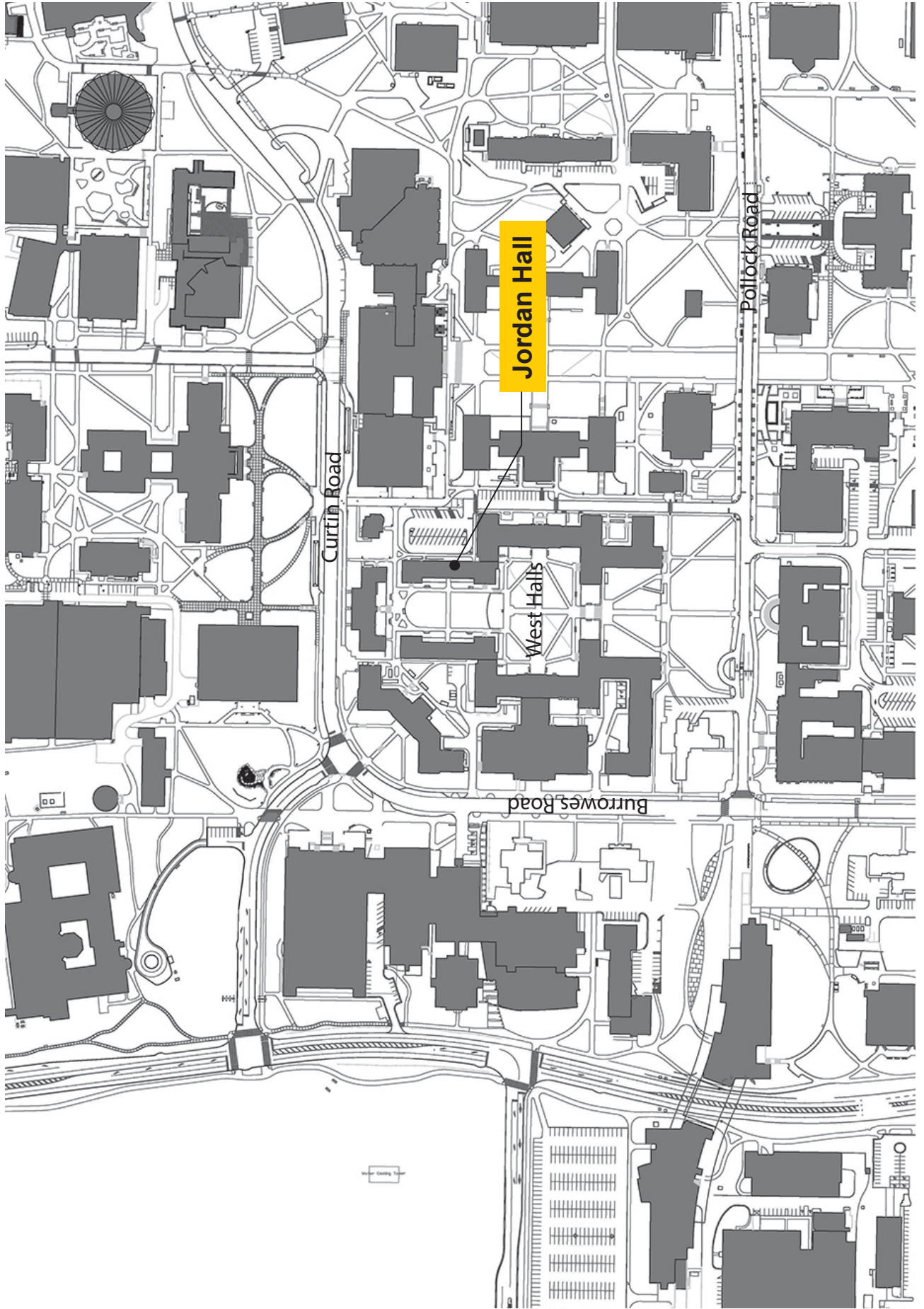
Existing



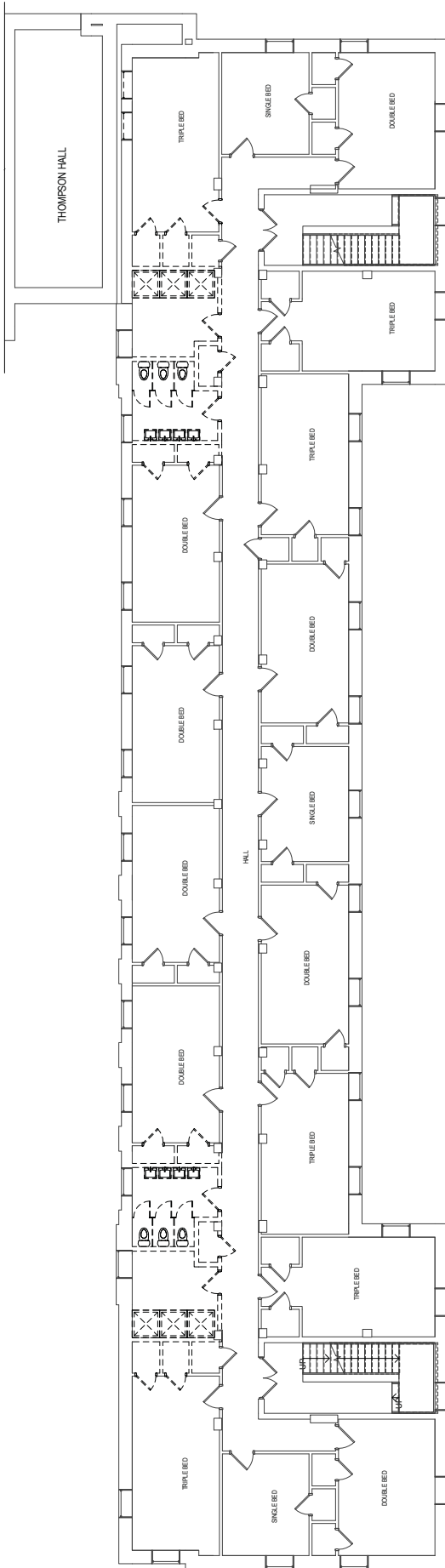
Proposed

Atherton Hall - Typical Restroom Renovation

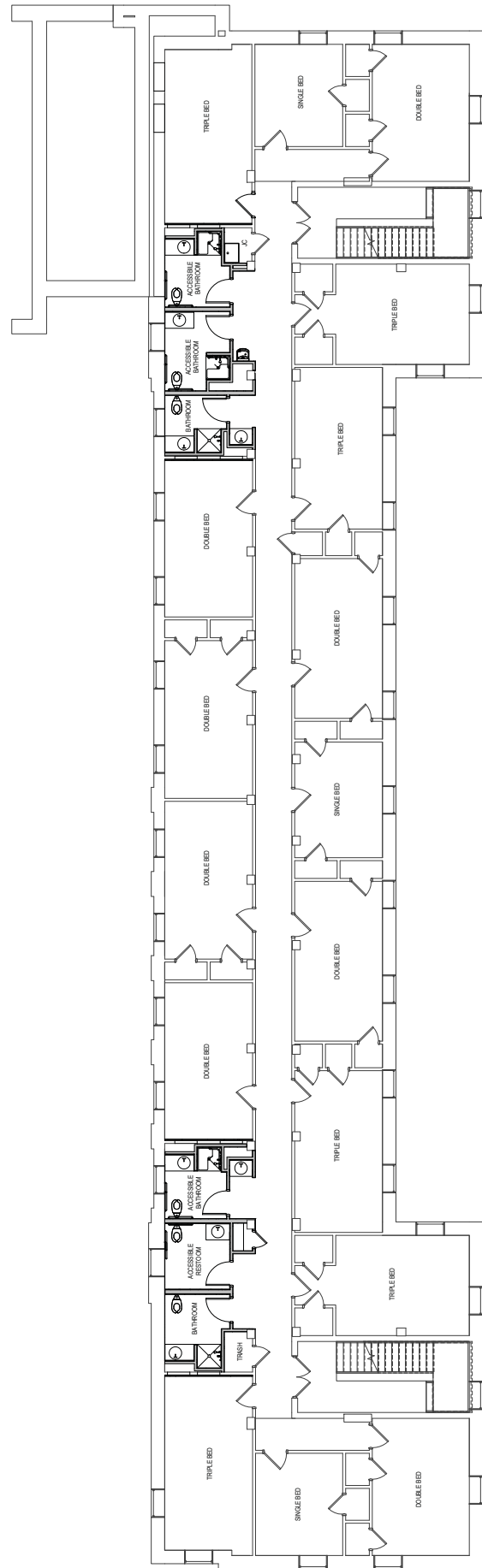
University Park



University Park



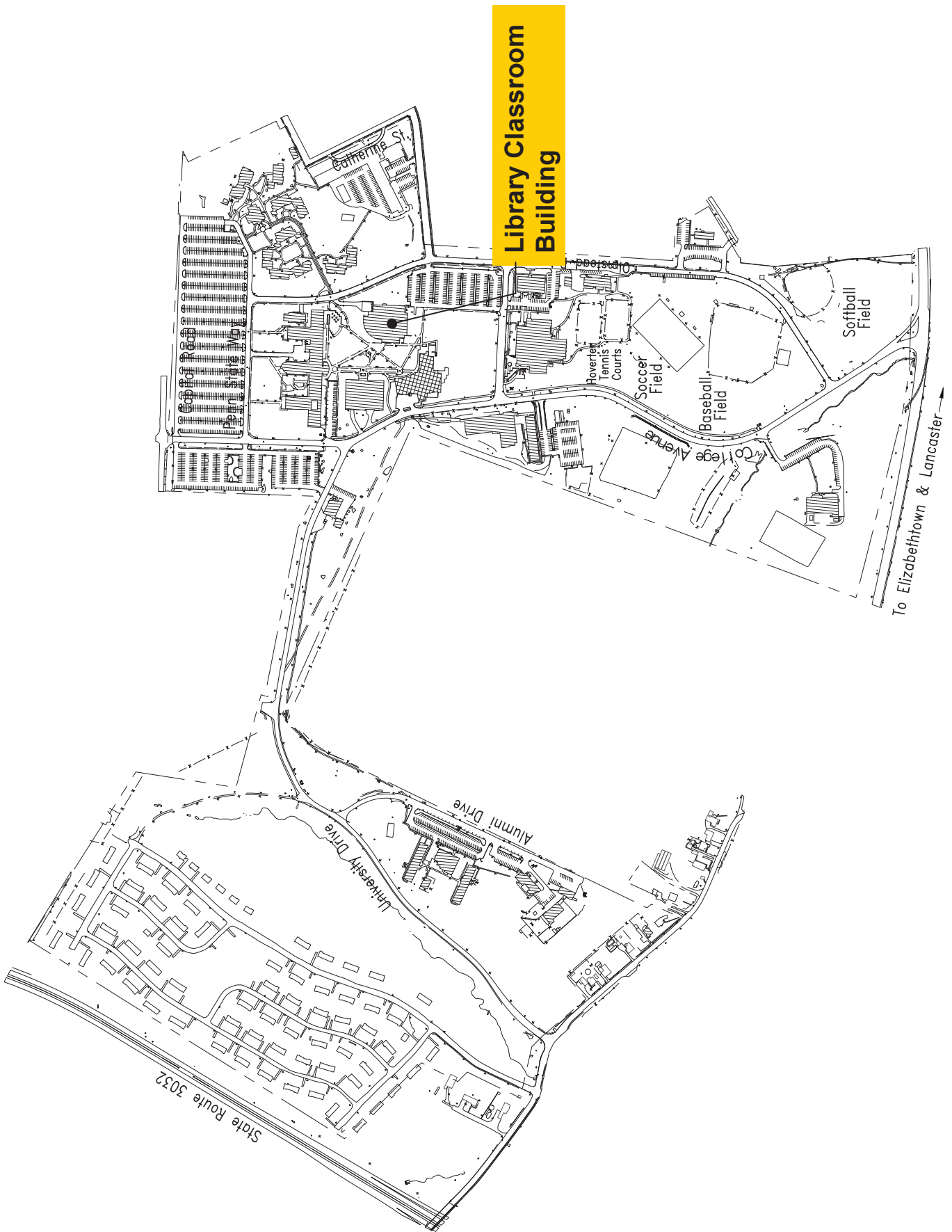
Existing



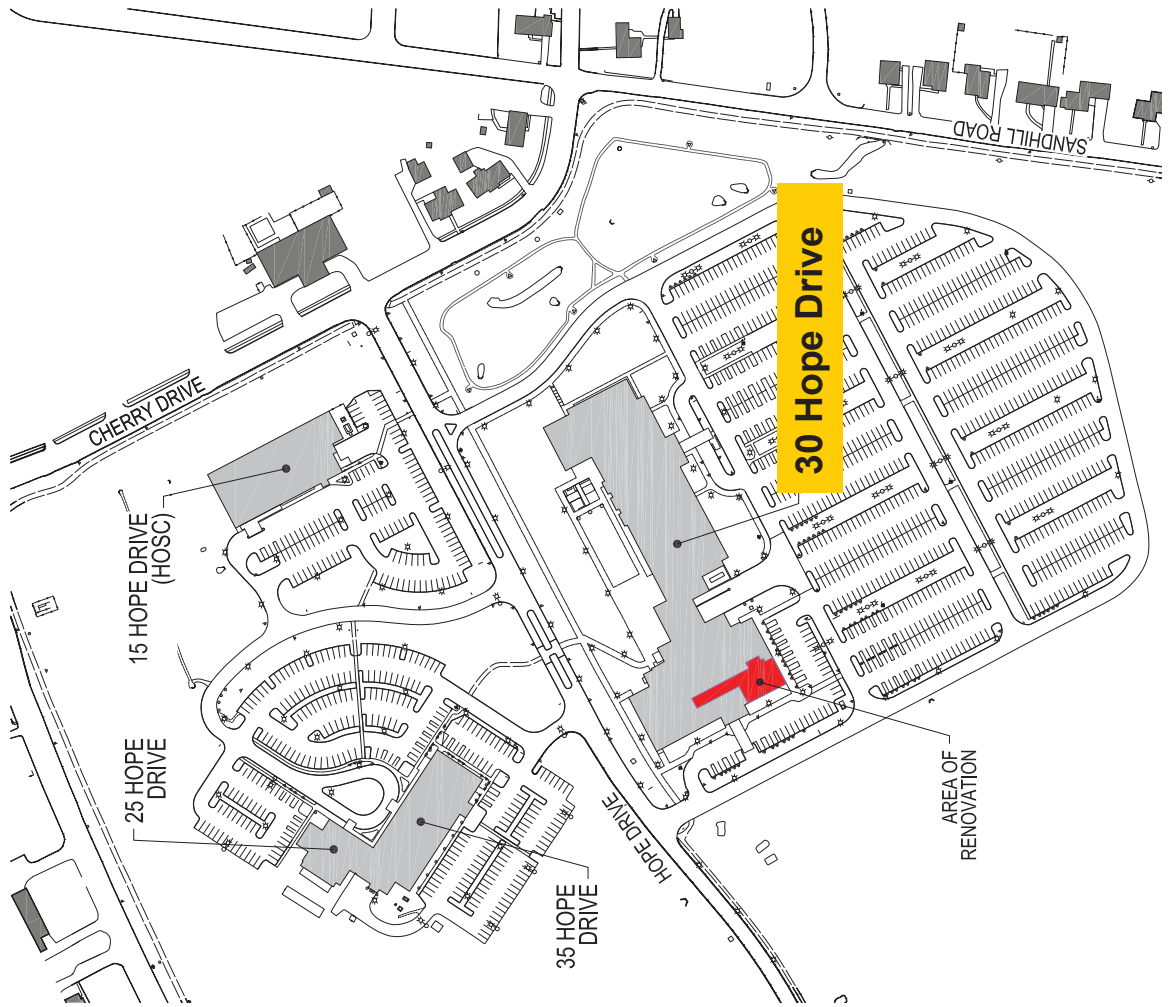
Proposed

Jordan Hall - Typical Restroom Renovation

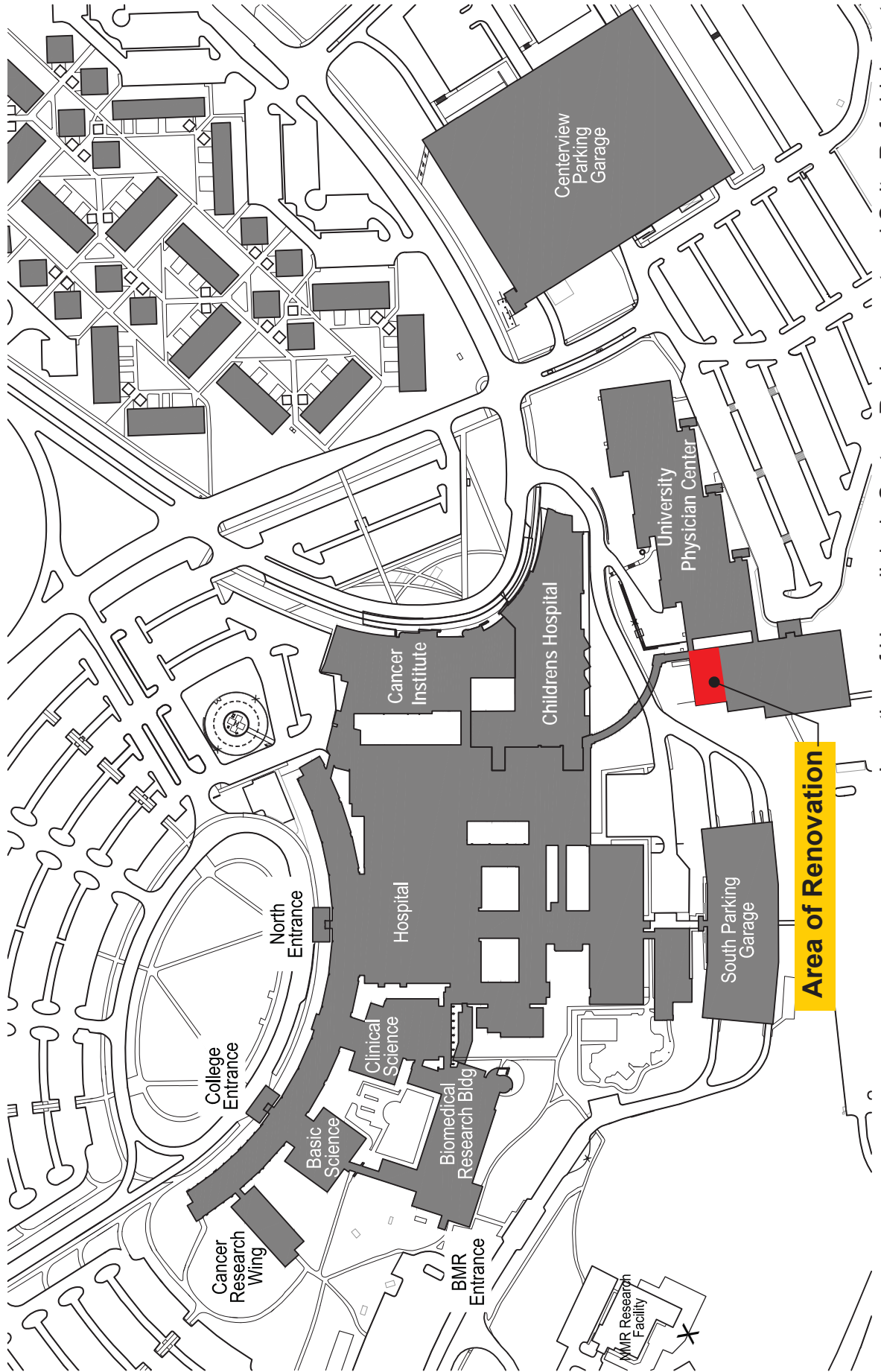
Penn State Harrisburg



The Milton S. Hershey Medical Center

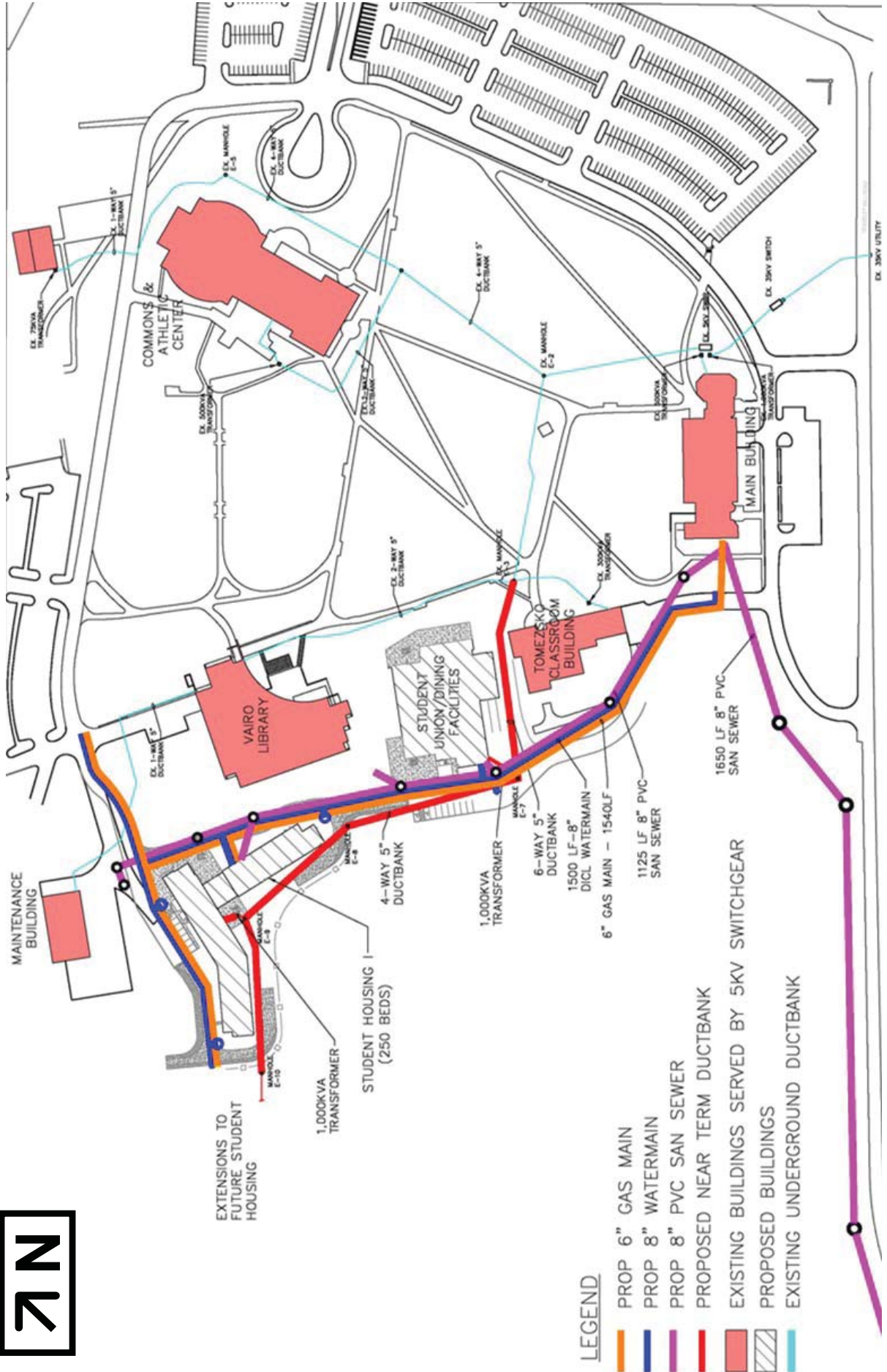


The Milton S. Hershey Medical Center



Location of Hemodialysis System Replacement and Suite Refurbishment

Penn State Brandywine



LEGEND

- PROP 6" GAS MAIN
- PROP 8" WATERMAIN
- PROP 8" PVC SAN SEWER
- PROPOSED NEAR TERM DUCTBANK
- EXISTING BUILDINGS SERVED BY 5KV SWITCHGEAR
- PROPOSED BUILDINGS
- EXISTING UNDERGROUND DUCTBANK

Utility Upgrades

STATUS OF MAJOR CONSTRUCTION PROGRAMS AND BORROWING (> \$5 Mill)

January 31, 2016

Campus	Project Data					BOT Milestones			Construction		Notes
	Project Name	Budget Amount	Commonwealth Funding	Gift Amount	Arch/Eng Selection	Final Plan Approval	Start Date	Completion Date			
University Park	Agricultural Digester and Dairy Barn Replacement	\$7,500,000	\$0	\$0	07/15	TBD	TBD	TBD	Project is on hold.		
	Agricultural Engineering Building Renewal	\$41,440,000	\$0	\$0	01/15	05/16	08/16	12/17	Project in design.		
	Airport Infrastructure and Site Improvements	\$6,300,000	\$0	\$0	05/15	05/15	TBD	TBD	Project is on hold until FAA funding amounts are confirmed.		
	Burrows Building Renovation	\$37,800,000	\$0	\$0	05/12	01/14	02/14	12/15	Construction complete. Refer to final report.		
	Chemical and Biomedical Engineering Building	\$148,800,000	\$0	\$10,000,000	03/15	09/16	09/16	12/18	Project in design.		
	Deike Building Renovations	\$15,000,000	\$0	\$0	07/15	07/16	08/16	11/17	Project in design.		
	UP Data Center	\$58,000,000	\$0	\$0	09/13	03/15	04/15	06/16	Construction is approximately 70% complete.		
	East Halls Renovation and New Residence Hall, Phase 1A	\$65,100,000	\$0	\$0	11/14	02/16	02/16	07/17	Project in design.		
	East Halls Renovation and New Residence Hall, Phase 1B	\$54,100,000	\$0	\$0		03/17	02/17	07/18	Project in design.		
	East Halls Renovation and New Residence Hall, Phase 1C	\$55,000,000	\$0	\$0		03/18	02/18	07/19	Project in design.		
	Environmental Improvements BFP Installations	\$10,500,000	\$7,000,000	\$0	N/A	N/A	06/08	03/16	Project program is approximately 95% complete.		
	Findlay Dining Commons Renovation	\$23,800,000	\$0	\$0	09/14	11/15	02/16	12/16	Project bidding in progress.		
	HFS Warehouse and Bakery Expansion	\$15,500,000	\$0	\$0	11/13	01/15	03/15	03/16	Construction is approximately 80% complete.		
	IM Building Addition Phase III	\$29,340,000	\$0	\$0	03/13	02/16	05/16	08/17	Project in design.		
	Lacrosse Facility Upgrades	\$8,400,000	\$0	\$8,400,000	03/15	TBD	TBD	TBD	Project in design.		
	Lasch Football Building Locker/Equipment Room Renovation	\$12,000,000	\$0	\$0	01/15	11/15	01/16	07/16	Project bidding in progress.		
	Morgan Academic Center	\$7,200,000	\$0	\$3,200,000	05/14	09/15	09/15	06/16	Construction is approximately 45% complete.		
	MRL Renovations	\$25,300,000	\$9,500,000	\$0	N/A	09/14	09/14	09/16	Construction is approximately 70% complete.		
	Recital Hall and Music I Renovation	\$22,100,000	\$19,000,000	\$0	12/15 (DGS)	05/17	06/17	07/18	Project in design.		
	Recreational Facility Access Modifications	\$7,500,000	\$6,000,000	\$0	N/A	02/16	02/16	09/16	Project bidding in progress.		
Research Building West Renovations	\$7,800,000	\$0	\$0	01/15	07/16	09/16	12/17	Project in design.			
Residence Hall at North Halls	\$32,250,000	\$0	\$0	09/14	02/16	02/16	07/17	Project in design.			
Ritenour Student Center	\$6,510,000	\$0	\$0	N/A	11/15	01/16	10/16	Construction began in January 2016.			
Steidle Renovation	\$52,000,000	\$0	\$0	03/12	05/14	06/14	06/16	Construction is approximately 85% complete.			
Transformer Replacement Program	\$11,100,000	\$1,000,000	\$0	N/A	N/A	06/07	10/16	Project program is approximately 92% complete.			
Water Treatment Plant and Distribution System Upgrades	\$61,600,000	\$45,000,000	\$0	01/11	03/15	05/15	03/17	Construction is approximately 18% complete.			
WCSP Steam Turbine Replacement	\$9,200,000	\$0	\$0	01/11	01/13	12/14	09/16	Construction is approximately 85% complete.			
WCSP Steam Production Modifications	\$57,300,000	\$0	\$0	01/11	11/12	02/14	08/18	Construction is approximately 45% complete.			
Whitmore Laboratory Renovations	\$31,700,000	\$0	\$0	03/12	09/14	01/15	08/16	Construction is approximately 70% complete.			

STATUS OF MAJOR CONSTRUCTION PROGRAMS AND BORROWING (> \$5
January 31, 2016

Campus	Project Data				Gift Amount	BOT Milestones		Construction		Notes
	Project Name	Budget Amount	Commonwealth Funding			Arch/Eng Selection	Final Plan Approval	Start Date	Completion Date	
Abington	Student Apartment Building	\$50,600,000	\$0	\$0	07/14	12/15	12/15	07/17	Construction began in December 2015.	
Altoona	Adler Building Addition and Renewal	\$24,500,000	\$13,710,000	\$0	12/13 (DGS)	11/15	TBD	TBD	Project on hold until DGS funding confirmed.	
Beaver	Michael Baker Building Renovation	\$9,450,000	\$0	\$0	11/13	01/15	04/15	06/16	Construction is approximately 40% complete.	
Berks	Luerssen Building Renovation	\$15,300,000	\$11,400,000	\$0	03/13	07/14	08/14	12/15	Construction is complete.	
Brandywine	New Residence Hall	\$31,500,000	\$0	\$0	07/14	12/15	02/16	07/17	Project bidding in progress.	
	Student Union	\$19,600,000	\$0	\$0	07/14	12/15	02/16	07/17	Project bidding in progress.	
Erie	Trippe Hall	\$25,000,000	\$0	\$0	11/15	11/16	12/16	07/18	Project in design.	
Harrisburg	Student Enrichment Center	\$30,000,000	\$0	\$1,000,000	11/13	03/15	04/15	08/16	Construction is approximately 50% complete.	
Hazleton	Kostos Building Renewal	\$15,500,000	\$12,000,000	\$0	10/14 (DGS)	02/16	05/16	10/17	Project bidding in progress.	
Hershey	Hershey Data Center	\$54,000,000	\$0	\$0	09/13	11/14	01/15	08/17	Construction is approximately 85% complete.	
	Combined Heat and Power Plant	\$19,100,000	\$0	\$0	11/15	09/16	10/16	12/17	Project in design.	
York	Ruhl Student Center Addition and Renovation	\$13,500,000	\$0	\$1,000,000	11/13	09/15	09/15	09/16	Construction is approximately 15% complete.	

Bold - Completed, *Italics* - Projected

Summary of University Long-Term Debt - \$(000) (excluding PCT)
 Total Bonds, Notes and Capital Leases as of January 31, 2016: \$891,754
 Bonds, Notes, and Capital Leases Issued Year to Date: \$0
 Premium Amortizations: **(\$22,311) ***

Authorized Borrowing Status - \$(000) (excluding PCT)
 Borrowing Authority per September 2015: \$750,000
 Capital Leases, Bonds, & Notes Issued: **(\$112,217)**
 Future Capitalized Leases & Other Authority: **(\$25,783)**
 Estimated Authority Remaining: \$612,000

Total Bonds, Notes and Capital Leases as of January 31, 2016: \$869,443
 * Related Interest Expense Totals Approximately \$14,112



Center for Building Energy Science and Engineering
Center for Building Energy Education and Innovation

Philadelphia Navy Yard

Scope: CBESE (661) includes:

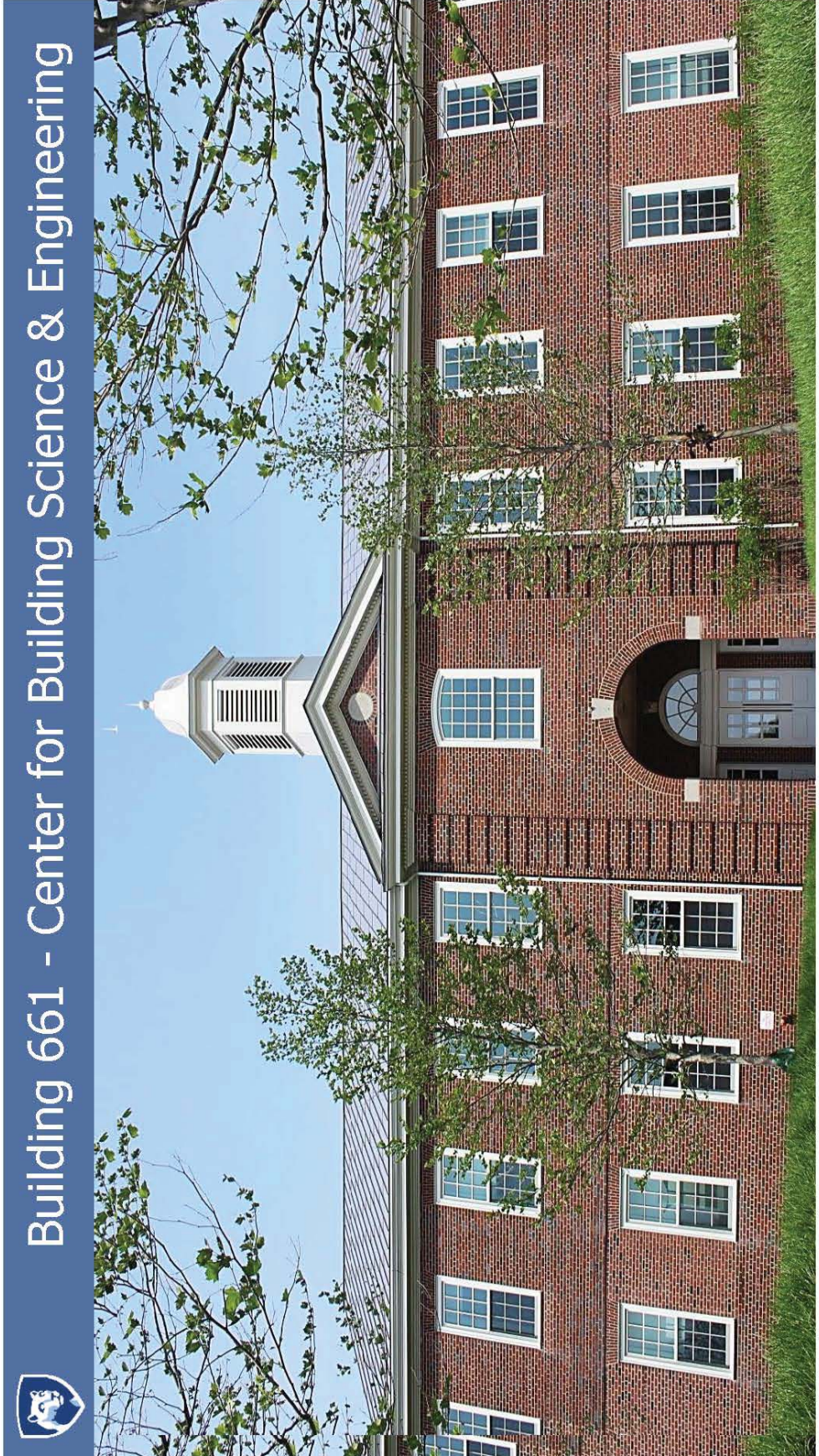
- 38,000 sf renovation as research project
- (11) Labs, (5) conference rooms, (10) offices
- Two-story atrium with meeting space
- 114-seat symposium room

CBEEI (7R) includes:

- 25,200 sf new building
- 180 seat, two-story lecture hall, Labs, (7) training classrooms
- Stormwater feature, passive solar shading, geothermal wells
- Decentralized water sourced heat pumps with energy recovery wheel

Project Cost: \$39,000,000 Authorized
 \$39,600,000 Final Cost

Construction Complete: July 2015







300 Science Park Road – Phase II

University Park

Scope:

Three floors of renovation include:

- Layout reconfigurations, carpet, paint, lighting, electrical, mechanical, telecom, ad security
- New air-handling units on all three floors
- Workspace and conference room furniture including AV
- 1st floor food court and workout space for occupants and surrounding University facilities

Total Project Cost: \$14,250,000 Authorized
 \$14,250,000 Final Cost

Construction Complete: August 2015



300 Science Park Road – Phase II





Visual Arts Building HVAC Replacement

University Park

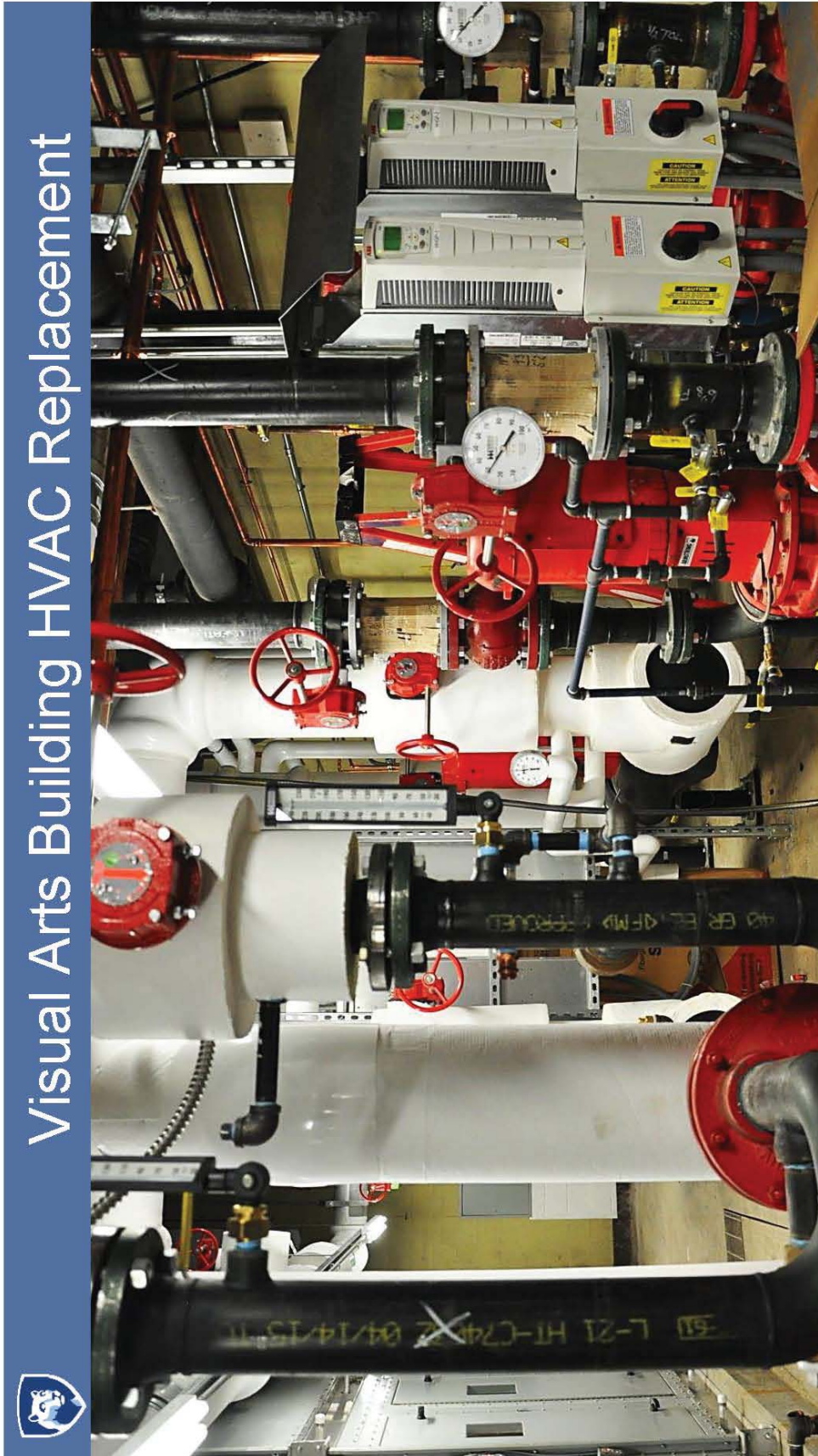
Scope:

Project scope includes:

- Two new air-handling units for entire building
- New hot water plant in building
- Insulated ductwork, controls upgrades pipe replacement
- Connection to campus chilled water system
- Electrical modifications, new corridor LED ceiling lights

Total Project Cost: \$8,000,000 Authorized
 \$8,000,000 Final Cost

Construction Complete: August 2015





Tyson Building HVAC & Roof Replacement

University Park

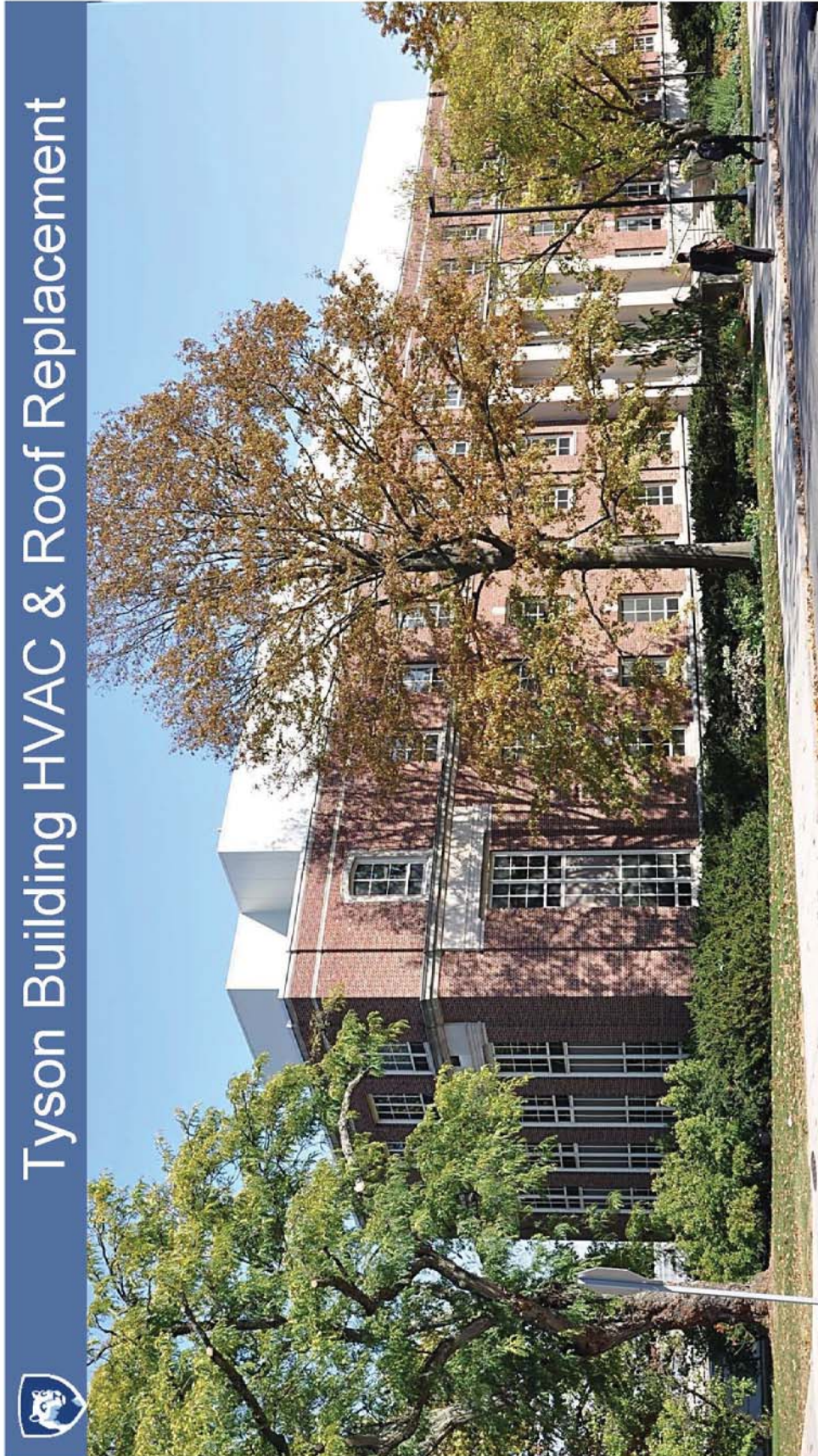
Scope:

Project scope includes:

- Replace existing roof and install screening
- Replace HVAC systems
- Separate lab air system from office system utilizing 100% outside air and heat recovery
- Upgrade lighting

Total Project Cost: \$5,200,000 Authorized
\$5,700,000 Final Cost

Construction Complete: August 2015





Greenberg Indoor Sports Complex Renovation

University Park

Scope:

Project scope includes:

- (10) 24 student Undergrad swing space chem labs
- Instrumentation / student project / staff prep room
- Upgrade mechanical and electrical systems
- Upgrade fire sprinkler system
- Add chilled water plant to provide cooling

Total Project Cost: \$10,300,000 Authorized
\$10,300,000 Final Cost

Construction Complete: August 2015





Mueller Building Renovation

University Park

Scope: The renovation includes:

- (6) Modern 1st floor biology labs
- Renovated 4th floor anatomy & physiology undergraduate research labs
- Renovated 6th floor to create new anatomy / physiology teaching labs (relocating 2 existing labs from 1st floor)
- New mechanical/electrical systems on selected floors
- New fire sprinkler system
- Connect to campus chilled water

Total Project Cost: \$20,700,000 Authorized
 \$20,700,000 Current estimate

Construction Complete: September 2015

Mueller Building Renovation





Intramural Building Expansion – Phase II

University Park

Scope: 55,000sf addition / 41,000sf renovation includes:

- Three additional courts
- Extended running track
- Conversion of Ex. Main gym to a multi-activity court
- Renovate existing locker rooms
- Add shell space to basement
- Additional support and circulation spaces

Project Cost: \$31,250,000 Authorized
 \$30,000,000 Final Cost

Construction Complete: May 2015





Burrowes Building Renovation

University Park

Scope:

Included in project:

- Upgrading MEP systems
- Infrastructure / utility upgrades
- Connect to campus chilled water system
- Increase electrical capacity
- Accessibility and vertical circulation improvements
- Interior architectural reconfigurations
- Replace windows and exterior doors
- Sprinkler system

Project Cost:

\$37,800,000 Authorized
 \$37,800,000 Final Cost

Construction Complete: December 2015





Health & Human Development

University Park

Scope:

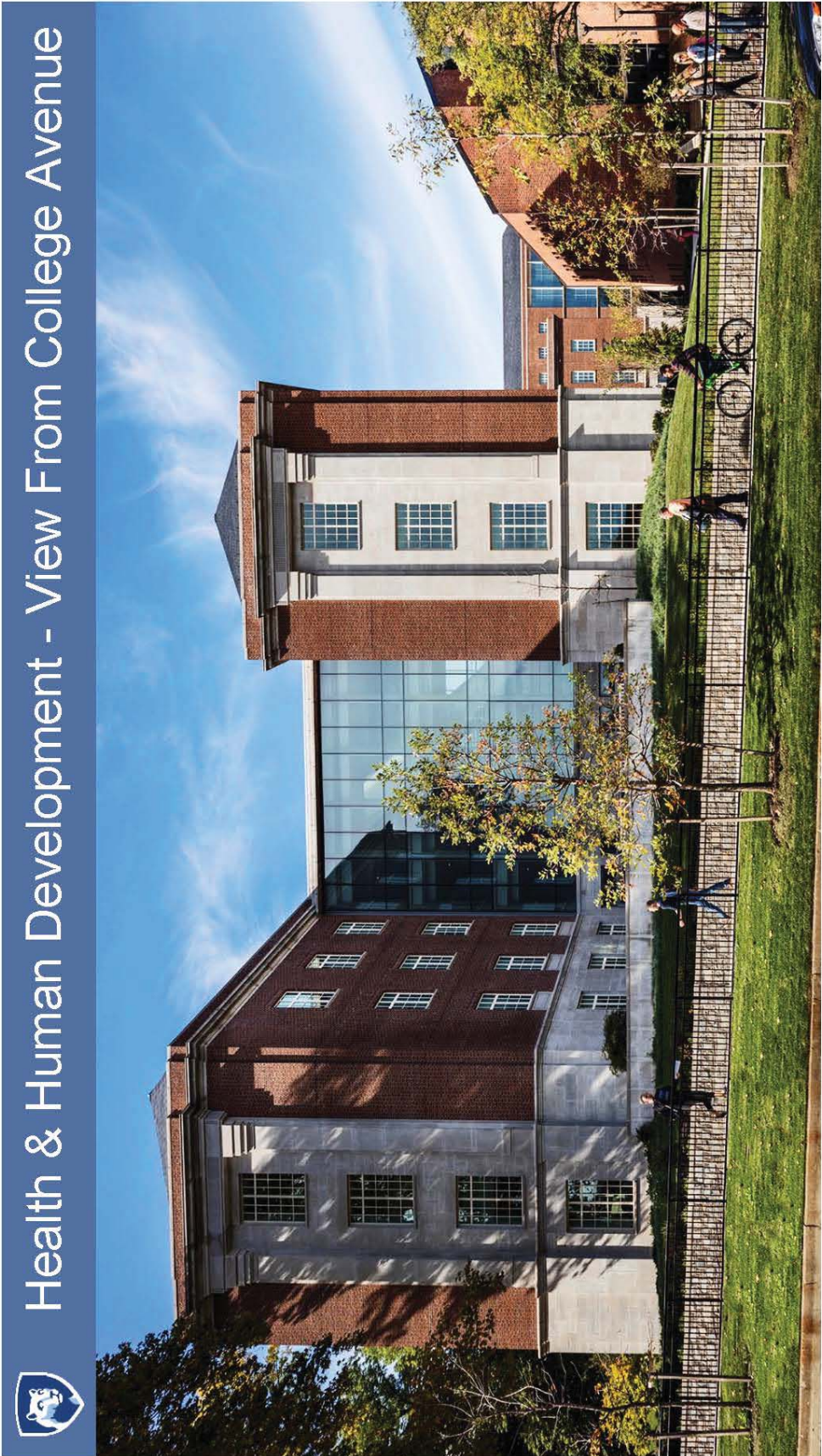
Included in project:

- Classroom and instruction space
- Human Development & Family Studies academic department space
- Methodology Center research space
- Dean's office relocation
- Renovation work in remaining wing

Project Cost:

\$58,500,000 Authorized
\$60,500,000 Final Cost

Construction Complete: May 2015



2016/17

**Room and Board Rate Proposal
Housing and Food Services**

- Budget Planning Factors
- Expense Increases
- History of Double Room and Meal Plan 3 Rates
- Proposed Room and Board Rates



Budget Planning Factors for 2016/17

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

The room and board rates proposed for 2016/17 will meet the operating needs of our multi-campus residential program, provide for the necessary maintenance of our facilities, and continue the major renewal of facilities according to the overall capital plan.

EXPENSES

Payroll and Related

Monies are included for anticipated inflationary increases for technical service employees and staff. The bargaining unit agreement requires a 3 percent increase. No increase in the fringe benefit rate is anticipated. An increase in hourly rates for student employees is planned to address recruitment and retention concerns.

Food Costs

Food costs for 2016/17 are expected to increase by 1.9 percent. This is less than the CPI, estimated to be 2.5 percent. This is possible due to the economies of scale derived from contracts negotiated directly with vendors, and consolidated purchasing for all food service venues, which increases purchase volume and decreases cost.

Utilities and Other Operating Expenses

The utility budget is anticipated to be flat for the coming year, due in part to lowered utility consumption and rate containment initiatives.

Supplies and services are expected to increase by 2 percent.

Residence Life

The Office of Residence Life is requesting an increase in the counseling fee of 2.47 percent, from \$313.25 to \$321.00 per student, per semester. This will generate an additional \$190,000 to compensate for increases in operating costs, anticipated salary increases, and room and board changes for resident assistants at all campuses.

OVERHEAD EXPENSES

Housing and Food Services Administration and Support Services

Administration and support services are expected to increase 2.5 percent to \$2,323,000.

University Overhead

The budget provides \$8,889,000 for University administrative costs. Housing and Food Services pays a percentage of gross revenue to the University for central support. This rate is expected to be 4.5 percent for 2016/17.

PROPERTY EXPENSES

Debt Service

The annual debt service for 2016/17 will be \$29,992,000.

Deferred Maintenance and Facility Renewal

The budget provides \$38,028,000 for facility renewal, deferred maintenance, and emergency reserves. Annual maintenance needs include items such as furniture and equipment replacement, elevator and roofing repairs, painting, and security upgrades.

Capital Assessment

The capital assessment represents the additional money needed each year over and above annual inflationary operating costs to fund the Housing and Food Services Capital Plan for facility renewal and new construction.

Major projects in the capital plan include but are not limited to additional housing at several campuses as well as renovation to East and Pollock Halls at University Park.

The assessment impacts the room rate only and is in addition to the annual operating increase. 2016/17 is the fourth year of the capital assessment plan. The budget provides for an increase of \$2,016,000 in this category.

INCOME

Meal Plan 3 most closely approximates the average board plan selected. A student living in a standard double room who selects Meal Plan 3 will pay 3.05 percent more for room and board in 2016/17. The recommended rate increases for housing, food services, and conferences at all residential locations will generate the required \$8,346,000 in additional income.

Expense Increases for 2016/17

	2015/16 Budget	Proposed 2016/17 Budget	2016/17 Increase	2016/17 % Change
Payroll & Related	\$49,489,000	\$51,560,000	\$2,071,000	4.18%
Food Costs	28,521,000	29,063,000	542,000	1.90%
Utilities	17,945,000	17,945,000	-	0.00%
Other Operating Expenses	29,751,000	30,346,000	595,000	2.00%
H&FS Admin. & Support	2,266,000	2,323,000	57,000	2.52%
University Overhead	7,853,000	8,889,000	1,036,000	13.19%
Property	71,409,000	75,454,000	4,045,000	5.66%
Total Expense	\$207,234,000	\$215,580,000	\$8,346,000	4.03%

Residence Hall Room Rates*Rate/Person/Semester*

Room Description	Number of Occupants	2015/16 Current Rate	2016/17 Proposed Operating Increase	2016/17 Proposed Capital Assessment	2016/17 Proposed Rate	2016/17 Proposed Increase
Standard Double	2	\$2,860	\$60	\$50	\$2,970	\$110
Standard Double/Bath	2	3,010	65	55	3,130	120
Renovated Double	2	3,100	72	58	3,230	130
Small Double	2	2,145	47	38	2,230	85
Triple	3	2,575	55	45	2,675	100
Triple/Bath	3	2,860	60	50	2,970	110
Quad	4	2,575	55	45	2,675	100
Quad/Bath	4	2,860	60	50	2,970	110
Quad as Triple	3	2,860	60	50	2,970	110
Standard Single	1	3,900	95	75	4,070	170
Standard Single/Bath	1	3,975	95	80	4,150	175
Renovated Single	1	3,975	95	80	4,150	175
Eastview Single/Bath	1	4,960	120	100	5,180	220
Eastview Large Single/Bath	1	5,330	130	105	5,565	235
RA Rate	1	1,855	20	15	1,890	35
Standard Double Suite	2	3,375	75	60	3,510	135
Standard Double Suite as Triple	3	2,850	60	50	2,960	110
Standard Single Suite	4	3,945	95	80	4,120	175
Double Suite	2	3,625	80	65	3,770	145
Single Suite	1	4,780	115	95	4,990	210

Supplemental assignments will be priced at a 20 percent discount from the applicable suite or room rate.

Single occupancy of rooms intended for double occupancy will be priced at 25 percent more than the double occupancy rate for that room type.

Apartment Rates

Room Description	Number of Occupants	2015/16 Current Rate	2016/17 Proposed Operating Increase	2016/17 Proposed Capital Assessment	2016/17 Proposed Rate	2016/17 Proposed Increase
University Park, Nittany Apartment						
<i>Rate/Person/Semester*</i>						
2 Bedroom Garden	4	\$3,460	\$77	\$63	\$3,600	\$140
4 Bedroom Garden	4	3,895	85	70	4,050	155
4 Bedroom Townhouse	4	4,035	88	72	4,195	160
Erie, Behrend Apartment						
<i>Rate/Person/Semester*</i>						
2 Bedroom Garden	4	3,460	77	63	3,600	140
Harrisburg Apartment						
<i>Rate/Person/Semester*</i>						
Apartments-Bedroom Single	4	4,140	88	72	4,300	160
Apartments-Bedroom Double	6	3,640	77	63	3,780	140
Apartments-Bedroom Triple	9	3,275	68	57	3,400	125
University Park, Graduate Family Apartment						
<i>Rate/Month*</i>						
White Course 1 Bedroom	N/A	1,065	20	15	1,100	35
White Course 2 Bedroom	N/A	1,210	22	18	1,250	40
White Course 3 Bedroom	N/A	1,360	22	18	1,400	40
White Course 3 Bedroom w/Half Bath	N/A	1,375	22	18	1,415	40
University Park, Graduate Apartment						
<i>Rate/Person/Month*</i>						
White Course 4 Bedroom	4	850	16	14	880	30

*Room rate includes utilities

**Board Plan
Rates/Semester**

Meal Plan	2015/16 Current Rate	2016/17 Proposed Rate	2016/17 Proposed Increase	2016/17 Dining Dollars
Plan 1	\$2,065	\$2,110	\$45	755
Plan 2	2,155	2,200	45	845
Plan 3	2,215	2,260	45	905
Plan 4	2,340	2,385	45	1,030
Plan 5	2,420	2,465	45	1,110
Plan 6	2,600	2,645	45	1,290

History of Double Room and Meal Plan 3 Rates 2012–2017

Year	Semester Rate	Semester Increase	Percent Increase
2016/17 <i>proposed</i>	\$5,230	\$155	3.05%
2015/16	\$5,075	\$190	3.89%
2014/15	\$4,885	\$200	4.27%
2013/14	\$4,685	\$190	4.23%
2012/13	\$4,495	\$125	2.86%
2011/12	\$4,370	\$185	4.42%

UNIVERSITY MANOR APARTMENTS

CURRENT vs. PROPOSED MONTHLY RENTAL RATES

<u>Type Occupancy</u>	<u>No. Units</u>	<u>Current Rates Per Apt.</u>	<u>Proposed Rates Per Apt.</u>	<u>Amount Increase</u>
University Manor East				
1 Bedroom (with Washer/Dryer)	24	\$ 910	\$ 925	\$ 15
2 Bedroom (with Washer/Dryer)	208	\$ 1,080	\$ 1,100	\$ 20
3 Bedroom (with Washer/Dryer)	16	\$ 1,218	\$ 1,248	\$ 30
University Manor West				
4 Bedroom (furnished) *	31	\$ 2,168	\$ 2,224	\$ 56

* NOTE: Proposed monthly increase per bedroom is \$14

RENTAL RATE COMPARISON
UNIVERSITY MANOR VS. PRIVATE APARTMENT COMPLEXES

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

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

DIFFERENCES BETWEEN UNIVERSITY MANOR
AND PRIVATE APARTMENT RENTAL RATES

	<u>Average Private Rates</u>	<u>Proposed Rates</u>
1 Bedroom	\$ 989	\$ 64 less
2 Bedroom	\$ 1,120	\$ 20 less
3 Bedroom	\$ 1,351	\$ 103 less
4 Bedroom	\$ 2,730	\$ 506 less

University Manor (Proposed Rates as of July 1, 2016):

	<u>Proposed Rates</u>
1 Bedroom	\$ 925
2 Bedroom	\$ 1,100
3 Bedroom	\$ 1,248
4 Bedroom	\$ 2,224

**Proposal for a
Multi-Year Capital Assessment
on the Room Rate
from 2016 through 2023**

**Housing and Food Services
The Pennsylvania State University
*February 2016***



A long-range capital plan spanning 15 years from 2013-2028 has been developed by Housing and Food Services (H&FS) and includes a facilities master plan with a supporting financial model. The H&FS Capital Plan responds to three driving forces: the need for renovations, the need to expand capacity, and the need to support the University's strategic initiative in the Philadelphia area. Faced with issues of an aging inventory, increased student expectations, a burgeoning off-campus market, and a need for a strategic investment at Abington and Brandywine— and after benchmarking with other institutions, surveying students, and employing consultants – the H&FS Capital Plan addresses the most critical facilities needs and priorities, while not overburdening students and their families with spiking rate increases.

Some of the major projects in the plan are as follows:

- Renovation of East and Pollock Halls at University Park,
- Construction of new and/or additional space at University Park, Abington, Brandywine and several Commonwealth Campuses including Behrend and Altoona,
- Renovation of Findlay Dining Commons at University Park,
- Construction of dining facilities at Brandywine as part of the new student union.

More details regarding the projects, estimated costs, and timetable can be found in the H&FS Capital Plan on Board Effect.

The renovation and expansion projects in the H&FS Capital Plan require financial support over and above the funds needed for standard operations. To generate the additional revenue, a capital assessment has been planned for a total of 10 years, beginning in fiscal year 2013/14. This assessment is added to the room rates, and is in addition to an annual operating increase needed to cover inflation. Through use of the incremental assessment, Housing and Food Services can secure the targeted funding of \$22 million by year 10 of the 15-year capital plan, while also avoiding large spikes in the room rates.

Fiscal year 2016/17 represents year 4 of the 10-year capital assessment plan. In order to assure the implementation of the plan, allow for the renovation and construction work to be completed without interruptions, and avoid cost increases due to delays, an up-front multi-year approval of the capital assessment is being requested.

Housing and Food Services is proposing the following schedule for the capital assessment through 2023, or year 10 of the overall capital plan.

Fiscal Year	Capital Assessment Average Increase per Semester
2016/17	\$56
2017/18	\$59
2018/19	\$62
2019/20	\$66
2020/21	\$69
2021/22	\$73
2022/23	\$78