

- 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 4, 2016?

- 3. **President's Report**
- 4. **Provost's Report**
- 5. **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

(See Appendix I)

- 2) **Recommendation for Approval of Administrative Appointment**

Will the Board of Trustees adopt the following resolution:

RESOLVED, That the Board of Trustees hereby approves President Eric J. Barron's appointment of Dr. Hari Osofsky to the position of Dean of Penn State Law and the School of International Affairs effective July 1, 2017.

B. Committee on Audit and Risk – Donald G. Cotner, 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, 2017.

C. Committee on Compensation – Matthew W. Schuyler, Chair

D. **Committee on Finance, Business and Capital Planning** – Daniel S. Mead, Chair

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

Information Items –

- a) Old Main Chilled Water Upgrades, University Park
- b) Penn State Cancer Institute and University Physician Center Pharmacy Renovations, Penn State Health Milton S. Hershey Medical Center
- c) Penn State Heart and Vascular Institute Non-Invasive Relocation and Realignment, Penn State Health Milton S. Hershey Medical Center
- d) First Floor Observation Unit Fitout, Penn State Health Milton S. Hershey Medical Center
- e) Generator Replacements, Penn State Health Milton S. Hershey Medical Center
- f) Special Pathogens Training Room, Penn State Health Milton S. Hershey Medical Center
- g) Lease and Fitout at 1135 East Chocolate Avenue, Penn State Health Milton S. Hershey Medical Center
- h) Naming of Newly Purchased Building, “3058 Research Drive Building,” State College
- i) Naming of Rooms, Portions of Buildings, and Plazas
- j) Status of Major Construction Programs and Borrowing

Action Items –

- k) Summary of Revised Funds
- l) Summary and Acknowledgement of New Funds and Major Commitments

(See Appendix II)

2) **Proposed Appointment of a Design Build Team, Emergency Department Expansion, Penn State Health Milton S. Hershey Medical Center**

The Subcommittee on Architect/Engineer Selection will make a report and recommendation on the appointment of a design build team for the Emergency Department Expansion at Penn State Health Milton S. Hershey Medical Center.

3) **Proposed Appointment of Designers, Energy Savings Projects at University Park and Commonwealth Campuses**

The University has implemented an Energy Savings Program (ESP) as part of its aggressive overall energy conservation efforts.

ESP projects include energy saving renovations and retrofits where the cost of the project, the energy savings, and the financing determine the payback period. Multiple ESP projects have been completed at University Park, Hazleton, Berks, Harrisburg, Erie, Altoona, Abington, Brandywine, Great Valley, Fayette, Beaver, Worthington-Scranton, Mont Alto, DuBois, Brandywine, and New Kensington campuses. To date, most of these projects have been less than \$5,000,000 and the Board of Trustees has been informed of all that were between \$1,000,000 and \$5,000,000.

Office of Physical Plant Engineering Services and Design & Construction worked together to determine that “Design Build – GMP” was the best contracting method

for this work. In January 2015, the BOT appointed two firms to design and build ESP projects after a public Request for Qualification (RFQ) process was completed.

Over the past two years, the firms have begun ESP projects at Penn State Harrisburg, Penn State Abington, University Park Airport, and several buildings at University Park. Completed projects include relamping Beaver Stadium with LED lamps and lighting controls, and replacing steam turbines at the West Campus Steam Plant. The program management team evaluates the projects, processes, firms, overall costs, and savings on a continual basis. In order to complete a higher number of building and utility improvements and expand to more campus locations, the number of participating ESP firms should be increased.

A Request for Qualifications (RFQ) document was prepared and posted on the public OPP website as well as sent to firms with an expressed interest in performing this work. At the mandatory pre-qualification meeting, twenty-eight firms attended, several firms partnered, and the total response was fifteen proposals of which eight were selected for face-to-face interviews. Of the eight interviewed, Mortenson, Wayne Crouse, McClure, and Precis were selected as the most qualified and appropriate to complete ESP work. Some of the firms/partnerships offer proximity to campuses, while others focus more on mechanical and construction experience that suits some of the less technical or more equipment-based energy projects. The firms would join TEN and Burns & McDonnell on the current list of approved ESP firms. Projects would be assigned to the firms based on best fit for the project. Penn State would have the ability to ask the selected firms to compete through an RFP process for unique or larger projects.

Final plans for future ESP projects with a cost estimate greater than \$5,000,000 will be brought to the Board of Trustees for approval when designed and final costs have been established.

Will the Board of Trustees adopt the following resolutions:

WHEREAS, The Office of Physical Plant employed an open and inclusive process to select the most qualified designers for Energy Savings Program projects.

RESOLVED, That the Officers of the University are authorized to employ McClure Company of Harrisburg, Pennsylvania; Mortenson, of Minneapolis, Minnesota; Precis Engineering, of Ambler, Pennsylvania; and, Wayne Crouse, Inc., of Pittsburgh, Pennsylvania, to design and build Energy Savings Program projects for the University.

4) **Proposed Appointment of an Architect, Final Plan Approval and Authorization to Expend Funds, Shaver's Creek Environmental Center Renovation, Stone Valley Recreation Area**

Shaver's Creek Environmental Center at Stone Valley Recreation Area has experienced steady growth over the past ten years, especially with the return of Lake Perez. A master planning process has identified key improvements to the existing facilities to meet present and future needs. The University intends to complete multiple changes in alignment with the plan.

An administration wing will be added to the Main Building to provide sorely needed staff office space while enhancing the welcoming experience for visitors. New efficient HVAC systems will be included. Additionally, a new classroom building will contain two flexible classrooms and a catering kitchen. Plans also include new ADA parking and new electrical service.

In December 2014, the University advertised a request for proposals from ten design firms for professional services. A selection committee comprised of Office of Physical Plant and Shaver's Creek Environmental Center staff interviewed three shortlisted teams for the renovations. Based upon a qualifications-centered process, the committee selected the firm of Kimmel Bogrette.

Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the Officers of the University are authorized to employ the firm of Kimmel Bogrette, of Conshohocken, Pennsylvania, to design the Shaver's Creek Environmental Center Renovations at Stone Valley Recreation Area.

RESOLVED, That the final plans for Shaver's Creek Environmental Center Renovations at Stone Valley Recreation Area, as designed by Kimmel Bogrette, of Conshohocken, Pennsylvania, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds and award contracts to accomplish the project be approved at a cost of \$5,800,000.

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

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

The 119,100 square foot, seven-story new residence hall, to be located adjacent to Curtin Road, will contain 413 beds, most in double rooms. Private bathrooms will be constructed in "wet cores" in the center of the building. Common space on the first floor will include study, collaboration, and seminar spaces, a commons area with kitchen, a quiet/meditation room, music practice rooms, and a laundry room. An apartment for a residence life professional will be included.

The renovation of McKean and Pennypacker Halls will maintain each building's existing bed count of 273, most in double rooms. Building updates include the replacement of aging and inefficient building systems, renovation of the building envelope, improvements to the building's appearance, and ADA accessibility improvements. An apartment for a residence life professional will be included. The new building and McKean and Pennypacker Halls 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, a consolidated refuse collection area, and redistributed and more functional parking.

Will the Board of Trustees adopt the following resolutions:

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

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of \$106,000,000.

6) **Proposed Final Plan Approval and Authorization to Expend Funds, Roofing Program, University Park**

The University intends to replace over 200,000 square feet of roofs on various buildings across the University Park campus. Priority will be based on the results of a 2012 comprehensive condition assessment. There will be an emphasis on maximizing longevity of the replacement roofing systems in the project design and construction as well as future maintenance for the roofs and rooftop-mounted equipment. Additional support work 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.

Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the final plans for the Roofing Program at University Park, as designed by 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 \$11,100,000.

7) **Proposed Purchase of Cryo-Electron Microscope, Penn State Health Milton S. Hershey Medical Center / College of Medicine**

The Penn State College of Medicine and Penn State Health are home to world class scientists conducting cutting-edge biomedical research aimed at improving human health. To enhance and expand its imaging research program, the University through the College of Medicine is planning to purchase a cryo-electron microscope for use at the College of Medicine.

A cryo-electron microscope provides near atomic level detail in biological materials. This instrument will allow researchers to know the structure and function of biological materials, including proteins, DNA, RNA, and microorganisms, and will change our understanding of health and disease. This instrument will further advance biomedical research performed at The Penn State College of Medicine in Hershey.

Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the purchase and installation of the Cryo-electron Microscope for the College of Medicine at Penn State Health Milton S. Hershey Medical Center is approved at a cost of \$9,100,000.

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

8) **Proposed Land Exchange Between Penn State University and Mount Nittany Medical Center**

In 2006-07, Mount Nittany Medical Center (MNNMC) undertook a master planning effort in cooperation with the University. Facilitated by Payette, a Boston-based architectural design and master planning firm serving the academic science and healthcare communities, the Master Plan provides a conceptual framework for the long-term development of the MNNMC site including the establishment of an academic and medical sub-campus to support future growth and collaboration with Penn State College of Medicine and Penn State Health. The plan also addresses the need for additional parking at the medical campus including a multi-level, centrally located parking deck immediately adjacent to the core hospital structure in order to provide more convenient access for patients and visitors.

The Master Plan was presented to the Finance, Business and Capital Planning Committee as well as to the MNNMC Board of Trustees, in October 2007. The new Medical Campus Master Plan was subsequently adopted with minor revisions by College Township in February 2009, thus establishing a new single Medical Campus (MC) zoning district to encompass the full development of University and MNNMC lands.

At this time, MNNMC is seeking to construct the proposed multi-level, centrally located parking deck. However, the hospital wishes not to impact its central plant facility which now encompasses the original proposed site of the deck. MNNMC has needed to make significant capital improvements to the central plant in order to accommodate growth during the intervening years. The nearest adjacent alternate site would cause the encroachment of University-owned lands and would also necessitate a two-phased approach to constructing the project as the alternate site will not accommodate a six-story multi-level deck as originally contemplated. Instead, two side-by-side decks will likely be constructed. MNNMC is currently looking to construct the first of the two decks (phase 1). The University evaluated whether to provide an easement to MNNMC for this purpose; however, current building code requirements prevent the parking facility from being constructed on land owned by two different owners without erecting a firewall along the property boundary, making the structure impracticable for the proposed use.

Consequently, it has been determined that, in consideration of MNNMC and the University's mutual interest in collaborating on the continued development of the medical campus to the benefit of both organizations as well as residents of the Centre Region, a land-exchange between MNNMC and the University is necessary in order to construct the proposed parking facility.

Will the Board of Trustee adopt the following resolutions:

RESOLVED, That the Board of Trustees hereby approves the exchange of 0.52 acres of University-owned land for a 2.60 acre Mount Nittany Medical Center-owned parcel, both located within the designated medical campus zoning district in College Township, Centre County, Pennsylvania.

FURTHER BE IT RESOLVED, That the Officers of the University are authorized and directed to take such steps as are necessary to make effective this resolution.

(See Appendix III)

9) Proposed Changes in Room and Board Charges for 2017-18 Academic Year

It will be necessary to increase room and board charges effective with the 2017 Fall Semester because of increased operating and facility maintenance costs.

Appendix IV provides details of the Housing and Food Service Budget Presentation for 2017-18 as well as the proposed rates at University Manor, Penn State Health Milton S. Hershey Medical Center.

Will the Board of Trustees adopt the following resolution:

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

(See Appendix IV)

- E. **Committee on Governance and Long-Range Planning** – Betsy E. Huber, Chair
- F. **Committee on Legal and Compliance** – Richard K. Dandrea, Chair
- G. **Committee on Outreach, Development and Community Relations** – Ryan J. McCombie, Chair

6. Appointment of Assistant Secretary

Will the Board of Trustees adopt the following resolution:

RESOLVED, that Crystal K. Straw be appointed as Assistant Secretary of the Board of Trustees, effective immediately, to fill the vacancy created by the retirement of Donna J. Newburg.

7. Appointment of Directors of Penn State Health

Penn State Health is the non-profit corporation established by the Board of Trustees for the purpose of holding and managing components of the health care enterprise controlled by the University, including Penn State Health Milton S. Hershey Medical Center.

The Board of Directors of Penn State Health is comprised of eight directors appointed by the Board of Trustees, for a term of one year commencing on March 15 of each year. It is proposed to reappoint the eight individuals currently serving as directors for a renewal term of one year.

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, 2017:

Eric J. Barron	Mark H. Dambly
Dennis P. Brenckle	David J. Gray
Peter N. Carlino	A. Craig Hillemeier, M.D.
Kathleen L. Casey	Keith E. Masser

8. Proposed 2018 Dates for Meetings of the Board of Trustees

Will the Board of Trustees approve the proposed meeting dates for **2018** as follows (unless otherwise noted, all meetings will be held at University Park):

January 11-12, 2018	(Thursday-Friday) – Board Retreat/Professional Development
February 22-23, 2018	(Thursday-Friday)
May 3-4, 2018	(Thursday-Friday)
July 19-20, 2018	(Thursday-Friday) – Penn State Berks
September 13-14, 2018	(Thursday-Friday)
November 8-9, 2018	(Thursday-Friday)

9. Informational Report on Intercollegiate Athletics

Sandy Barbour, Director of Intercollegiate Athletics, will provide an informational update.

10. Announcements by the Chairman of the Board of Trustees

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

Room Description	Number of Occupants	2016/17 Current Rate	2017/18 Proposed Operating Increase	2017/18 Proposed Capital Assessment	2017/18 Proposed Rate	2017/18 Proposed Increase
Standard Double	2	\$2,970	\$53	\$67	\$3,090	\$120
Standard Double/Bath	2	3,130	55	70	3,255	125
Renovated Double	2	3,230	77	73	3,380	150
Small Double	2	2,230	35	50	2,315	85
Triple	3	2,675	45	60	2,780	105
Triple/Bath	3	2,970	53	67	3,090	120
Quad	4	2,675	45	60	2,780	105
Quad/Bath	4	2,970	54	66	3,090	120
Quad as Triple	3	2,970	54	66	3,090	120
Standard Single	1	4,070	49	91	4,210	140
Standard Single/Bath	1	4,150	52	93	4,295	145
Renovated Single	1	4,150	52	93	4,295	145
Eastview Single/Bath	1	5,180	64	116	5,360	180
Eastview Large Single/Bath	1	5,565	70	125	5,760	195
RA Rate	1	1,890	3	42	1,935	45
Standard Double Suite	2	3,510	61	79	3,650	140
Standard Double Suite as Triple	3	2,960	59	66	3,085	125
Standard Single Suite	4	4,120	52	93	4,265	145
Double Suite	2	3,770	65	85	3,920	150
Single Suite	1	4,990	63	112	5,165	175
University Park, Nittany Apartment						
<i>Rate/Person/Semester*</i>						
2 Bedroom Garden	4	\$3,600	\$64	\$81	\$3,745	\$145
4 Bedroom Garden	4	4,050	69	91	4,210	160
4 Bedroom Townhouse	4	4,195	70	95	4,360	165
Erie, Behrend Apartment						
<i>Rate/Person/Semester*</i>						
2 Bedroom Garden	4	3,600	64	81	3,745	145
Harrisburg & Abington Apartment						
<i>Rate/Person/Semester*</i>						
Apartments-Bedroom Single	4	4,300	73	97	4,470	170
Apartments-Bedroom Double	6	3,780	65	85	3,930	150
Apartments-Bedroom Triple	9	3,400	64	76	3,540	140

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.

University Park Graduate Apartment Rates
Approved by the Board of Trustees September 2016

Room Description	2017/18 Rate
University Park, Graduate Family Apartment	
<i>Rate/Month*</i>	
White Course 1 Bedroom	\$1,125
White Course 2 Bedroom	1,275
White Course 3 Bedroom	1,430
White Course 3 Bedroom w/Half Bath	1,445
University Park, Graduate Apartment	
<i>Rate/Person/Month*</i>	
White Course 4 Bedroom	905

**Apartment rate includes utilities*

**Proposed Board Plan
Rates/Semester**

Meal Plan	2016/17 Current Rate	2017/18 Proposed Rate	2017/18 Proposed Increase	2017/18 Dining Dollars
Plan 1	\$2,110	\$1,985	(\$125)	\$615
Plan 2	2,260	2,305	45	935
Plan 3	2,645	2,550	(95)	1,180

History of Double Room and Mid-Level Meal Plan Rates 2013–2018

Year	Semester Rate	Semester Increase	Percent Increase
2017/18 <i>Proposed</i>	\$5,395	\$165	3.15%
2016/17	\$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%

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	\$ 925	\$ 945	\$ 20
2 Bedroom (with Washer/Dryer)	208	\$ 1,100	\$ 1,124	\$ 24
3 Bedroom (with Washer/Dryer)	16	\$ 1,248	\$ 1,273	\$ 25
University Manor West				
4 Bedroom (furnished) *	31	\$ 2,224	\$ 2,280	\$ 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	\$ 1,023	\$ 78 less
2 Bedroom	\$ 1,152	\$ 28 less
3 Bedroom	\$ 1,418	\$ 145 less
4 Bedroom	\$ 2,800	\$ 520 less

University Manor (Proposed Rates as of July 1, 2017):

	<u>Proposed Rates</u>
1 Bedroom	\$ 945
2 Bedroom	\$ 1,124
3 Bedroom	\$ 1,273
4 Bedroom	\$ 2,280

1. Information on Undergraduate Programs

A. College of the Liberal Arts

1) International Studies Minor to Global and International Studies Minor: Name Change

Global and International Studies is devoted to understanding human cultures and societies as bounded by "One World". This minor emphasizes developing a global perspective through intermediate proficiency in a foreign language, study abroad, and internationally focused course work. It would allow students with global career ambitions the opportunity to differentiate themselves in the job market. The new name will become effective Summer 2017.

B. Penn State Erie, The Behrend College

1) Bachelor of Arts in Science: Close Major

Historically, student interest and enrollment in this major has been low as more students chose the B.S. over the B.A. Penn State Erie will continue to offer the Bachelor of Science in Science. The B.A. in Science will be closed effective Summer 2017.

1. Old Main Chilled Water Upgrades, University Park

The University intends to upgrade the chilled water piping systems and equipment in Old Main to correct cooling issues in the building. The project includes new pumps, variable speed drives, heat exchanger, chemical water treatment equipment, flushing and cleaning, control valves, controls upgrades, and a few new fan coil units. The cost estimate for this project is \$1,100,000.

(See Appendix II.1)

2. Penn State Cancer Institute and University Physician Center Pharmacy Renovations, Penn State Health Milton S. Hershey Medical Center

This project will include the renovation of the retail pharmacies located on the first floor of the University Physician Center (UPC) and on the first floor of the Penn State Cancer Institute. The UPC pharmacy will be remodeled to accommodate a Specialty Pharmacy and will improve workflow in the space. Currently the UPC pharmacy services patient and employee acute prescription needs and provides several clinics with medication. The services will now be expanded to include services for patients receiving specialty medication.

Currently the Penn State Cancer Institute Pharmacy provides prescription medication to patients being discharged from the institution and to employees with acute prescription needs. The project will include interior renovations to accommodate a new automated dispensing unit. The renovations will improve the workflow in the space to improve pharmacy efficiency.

Compounding areas in both the UPC and Penn State Cancer Institute pharmacies will be designed to meet recently proposed USP-800 standards. The cost estimate for this project is \$2,600,000.

(See Appendix II.2)

3. Penn State Heart and Vascular Institute Non-Invasive Relocation and Realignment, Penn State Health Milton S. Hershey Medical Center

This project will be completed in multiple phases on the first floor northwest quadrant of the original hospital building at Penn State Health Milton S. Hershey Medical Center. At completion of all phases, Cardiology ECHO Imaging, Vascular Imaging, and related services will be consolidated into a single suite with services provided to outpatients and inpatients.

The first phase of construction includes construction of a new data room, five non-invasive imaging rooms, reading rooms, offices, and support in an existing 2,750 square foot vacant shell space. The remaining phases will complete the consolidation of the HVI Non-Invasive Imaging Services through the construction of an additional seven non-invasive imaging rooms, three non-invasive "EKG/Holter" rooms, related support spaces, and additional staff offices. The cost estimate for this project is \$4,700,000.

(See Appendix II.3)

4. First Floor Observation Unit Fitout, Penn State Health Milton S. Hershey Medical Center

Patients requiring extended observation before being admitted or discharged will be served in a new first floor twelve-patient Observation Unit adjacent to the Emergency Department. The unit will improve the Emergency Department's patient capacity for incoming emergent patients.

Several offices and a small non-invasive vascular imaging suite will be relocated into other parts of the hospital as part of other projects. The new Observation Unit will provide twelve observation rooms, a nurse's station and associated support spaces.

In addition, this project will create approximately 1,370 net square feet of new enclosed space at the second floor level, replacing an existing roof. This new area will function as greatly needed storage space

for supplies and equipment to support the main hospital Operating Room Suite. The cost estimate for this project is \$3,000,000.

(See Appendix II.4)

5. Generator Replacements, Penn State Health Milton S. Hershey Medical Center

Four emergency generators at Penn State Health Milton S. Hershey Medical Center are beyond their useful anticipated life and need to be replaced to provide reliable emergency power to the hospital. They will be replaced by an integrated modular on-site power system that will provide N+1 redundancy that does not exist today and additional emergency power capacity. The on-site power system will consist of three diesel generators, each with a capacity of 625kW, that are enclosed in a single sound dampening enclosure. The enclosure will be designed with the appropriate infrastructure and space to accommodate a future fourth 625kW generator. The system will be located outside adjacent to the South Parking garage on the Hershey campus.

This on-site power system will be designed to “Tier 4” emissions standards that will allow the generators to operate during times other than emergencies per current Pennsylvania Department of Environmental Protection and US Environmental Protection Agency standards. The cost estimate for this project is \$1,750,000.

(See Appendix II.5)

6. Special Pathogens Training Room, Penn State Health Milton S. Hershey Medical Center

Penn State Health Milton S. Hershey Medical Center is committed to accommodating patients with highly infectious diseases and special pathogens, such as Ebola. A dedicated space is needed for continuous training of healthcare providers in donning and doffing personal protective equipment and performing drills and protocol training in preparation for care of these patients. This project involves creating a training room that is nearly identical in layout and equipment placement as the location in the hospital that would be used for special pathogen treatment. The proposed training room requires renovation of approximately 1,700 square feet on the second floor of the College of Medicine. Existing College of Medicine Problem-Based Learning rooms will be relocated to a location currently housing a faculty-student lounge and computer area.

The training room will be scheduled by the Simulation Center and will be used for other training when not needed for Special Pathogen training. The project scope will include a viewing room that will be used to support education of residents, medical students and others. The cost estimate for this project is \$1,010,000.

(See Appendix II.6)

7. Lease and Fitout at 1135 East Chocolate Avenue, Penn State Health Milton S. Hershey Medical Center

In 2014, an office space analysis based on growth projections showed a 60,000 net square foot deficit (about 100,000 gross square feet) at Penn State Health Milton S. Hershey Medical Center. Leasing office space off-campus is one of the strategies used to meet office space needs. The Medical Center plans to lease approximately 14,000 gross square feet of second floor space at 1135 East Chocolate Avenue in Hershey, Pennsylvania. The new space will be fitted out with offices for the IT Cyber Security team and the Provider and Patient Access Services call center. The project scope also includes a large format training room and break area, as well as some minor floor plan modifications to accommodate private offices and conference rooms.

Renovations to the space will include electrical upgrades, data wiring upgrades, carpet replacement, and painting. Furniture and workstations for approximately 110 employees are included in the total project costs. The cost estimate for this project is \$1,690,000.

(See Appendix II.7)

(Appendix II)

8. Naming of Newly Purchased Building, “3058 Research Drive Building,” State College

The University intends to name a building that Penn State recently purchased located at 3058 Research Drive in State College the *3058 Research Drive Building*.

(See Appendix II.8)

9. 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:

1. Name Collaborative Learning Room #14 in the Morgan Academic Support Center / Greenberg Complex in recognition of an irrevocable pledge from Brian and Susan McWhirter. The recognition plaque will read:

*Brian and Susan McWhirter
Collaborative Learning Room*

2. Name Study Room #1 (room 022) in the Morgan Academic Support Center / Greenberg Complex in recognition of an irrevocable pledge from Barry and Faith Pennypacker. The recognition plaque will read:

*Barry and Faith Pennypacker
Study Room*

3. Name Study Room #2 (room 023) in the Morgan Academic Support Center / Greenberg Complex in recognition of an irrevocable pledge from David and Ruth Klementik utilizing the Whalley Charitable Trust. The recognition plaque will read:

*Whalley Charitable Trust
Study Room*

4. Name Study Room #3 (room 024) in the Morgan Academic Support Center / Greenberg Complex in recognition of an irrevocable pledge from Ed and Theresa Dare on the record of the Kevin Dare Foundation. The recognition plaque will read:

*Ed and Theresa Dare
Study Room*

5. Name Conference Room 151 in the Morgan Academic Support Center / Greenberg Complex in recognition of an irrevocable pledge from Scott and Sandy Balboni. The recognition plaque will read:

*The Balboni Family
Conference Room*

6. Name the Athletic Training Room (room 109) in the Lasch Football Building in recognition of a pledge from Richard and Susan Sokolov. The recognition plaque will read:

*Rick and Susan Sokolov and Family
Athletic Training Room*

7. Name the Metallography Lab (room 126) in the Steidle Building in recognition of a gift from Michael J. Rossi. The recognition plaque will read:

Rossi Family Metallography Laboratory

8. Name the Study Room (room 113C) in the Knowledge Commons in the Pattee Library in recognition of a gift from Mary Lynn Englerth Keller. The recognition plaque will read:

*Adaptive Technology Services Study Room
In Memory of Thomas Bernard Englerth*

9. Name Study Room C1618P in the George T. Harrell Health Science Library at Penn State College of Medicine in recognition of a gift from David and Elizabeth Rosvold. The recognition plaque will read:
Drs. David and Elizabeth Rosvold Family Study Room
10. Name Study Room C1618Q in the George T. Harrell Health Science Library at Penn State College of Medicine in recognition of a gift from Leah F. Kuhns. The recognition plaque will read:
Donald G. Kuhns Memorial Study Room
11. Name Discovery Room #1 at the Shaver's Creek Environmental Center in recognition of an irrevocable estate commitment from Thomas and Mary Ellen Litzinger. The recognition plaque will read:
Litzinger Discovery Room
In recognition of the generous philanthropy of Drs. Thomas and Mary Ellen Litzinger
12. Name Discovery Room #3 at the Shaver's Creek Environmental Center in recognition of a gift from the Louis E. Silvi Foundation. The recognition plaque will read:
Louis E. and Patricia H. Silvi Discovery Room
The needs of children were of great importance to Lou and Pat Silvi
13. Name the Herps Care Area at the Shaver's Creek Environmental Center in recognition of an irrevocable pledge commitment from Thomas and Mary Ellen Litzinger. The recognition plaque will read:
Litzinger Herpetology Center
Funded by the generous philanthropy of Drs. Thomas and Mary Ellen Litzinger
14. Name Collaborative Learning / Tutoring Room (room 25) in Ritenour Building in recognition of a gift from Jack Dickstein. The recognition plaque will read:
The Dr. Jack and Pauline Dickstein Collaborative Learning Center
15. Name the Student Meeting Room (Room 22) in Ritenour Building in recognition of a gift from Lou Martarano. The recognition plaque will read:
In memory of Catherine Spiotto Martarano
16. Name the Student Meeting Room (Room 23) in Ritenour Building in recognition of a gift from Ken Herko. The recognition plaque will read:
A gift from Ken Herko in honor of Science LionPride
17. Name the Entry / Vestibule (Room F102) in Ritenour Building in recognition of a gift from Norm and Trygve Freed. The recognition plaque will read:
A gift from Norman and Trygve Freed
18. Name the Lobby / Waiting Area (Room F103 & 126) in Ritenour Building in recognition of a gift from Rick Silverman. The recognition plaque will read:
A generous gift from Richard (B.S., chemistry '68) and Barbara Silverman
19. Name the Conference Room (Room 120) in Ritenour Building in recognition of a gift from Jim and Alvina Balog. The recognition plaque will read:
A gift from James Balog and Alvina Bartos Balog
20. Name the Conference Room (Room 121) in Ritenour Building in recognition of a gift from Barry Fisher. The recognition plaque will read:
A gift from Barry and Luanne Fisher
21. Name the Conference Room (Room 237) in Ritenour Building in recognition of a gift from Dan Pelak. The recognition plaque will read:
A gift from Daniel Pelak Class of 1972

22. Name the Advising Office (Room 226) in Ritenour Building in recognition of a gift from Eric Keiter. The recognition plaque will read:
A gift from Eric and Tara Keiter
23. Name the Advising Office (Room 230) in Ritenour Building in recognition of a gift from Jack Dickstein. The recognition plaque will read:
A gift from Dr. Jack and Pauline Dickstein
24. Name the Advising Office (Room 232) in Ritenour Building in recognition of a gift from Bill Bickel. The recognition plaque will read:
A gift from Bill and Barbara Bickel
25. Name the Advising Office (Room 236) in Ritenour Building in recognition of a gift from Mary Stiles. The recognition plaque will read:
A gift from Mary A. Stiles, M.D.
26. Name the Advising Office (Room 241) in Ritenour Building in recognition of a gift from Michael Weiner and Camille Solbrig. The recognition plaque will read:
Dedicated to Charles and Rita Solbrig, and Albert Wexler

10. Status of Major Construction Programs and Borrowing

(See Appendix II.9)

11. 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 10, 2016 to January 27, 2017, be revoked and that the Officers of the University are authorized to put into effect the revised regulations as requested by the donors.

12. Summary and Acknowledgement of New Funds and Major Commitments

The Committee on Finance, Business and Capital Planning is advised that for the period October 10, 2016 through January 27, 2017, 86 new funds totaling approximately \$9,168,388 were accepted by the University, including scholarships, fellowships, etc. All of these items conform to established University policies and regulations.

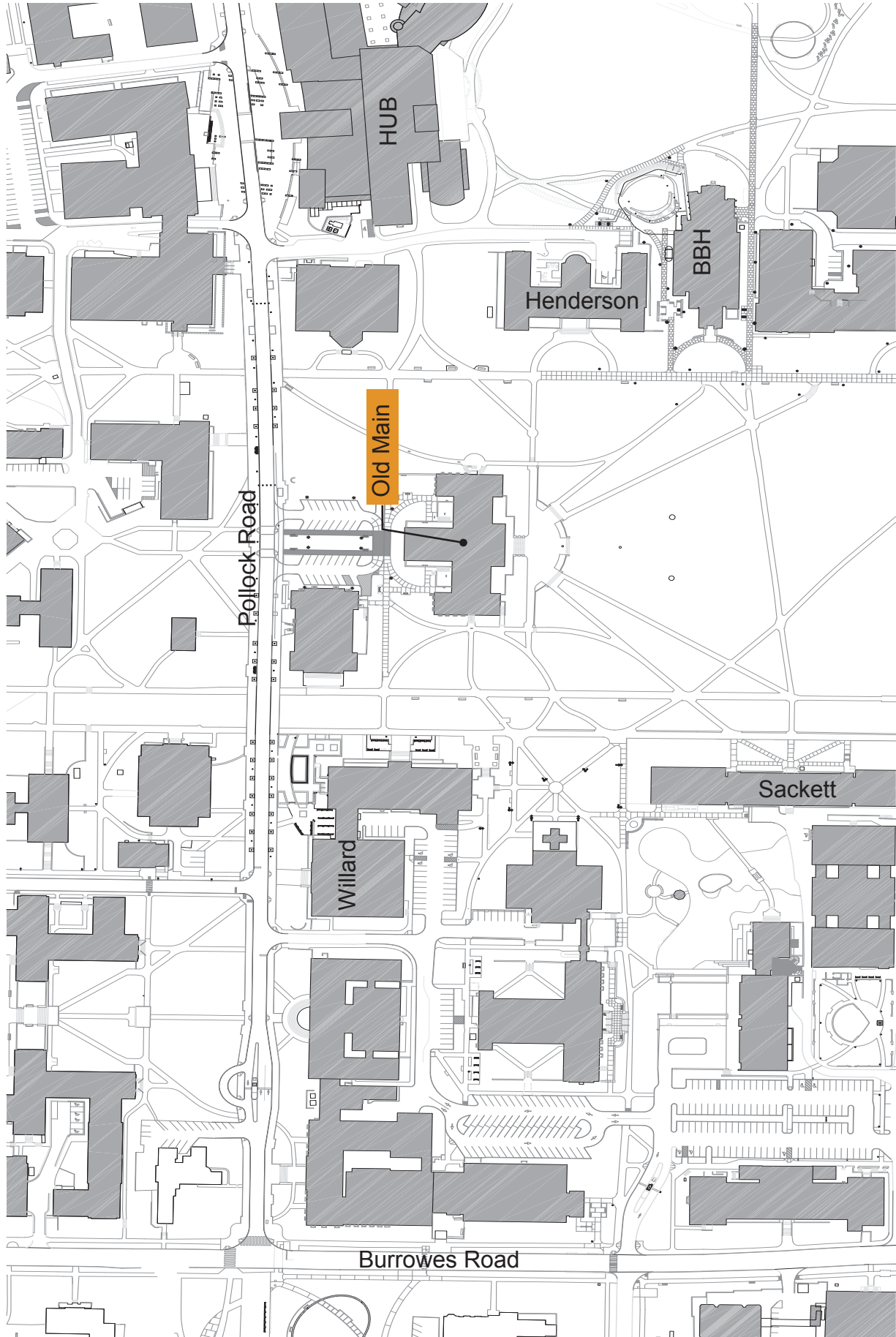
For the period September 1, 2016 through December 1, 2016, 148 major commitments were accepted by the University totaling approximately \$43,982,904.

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

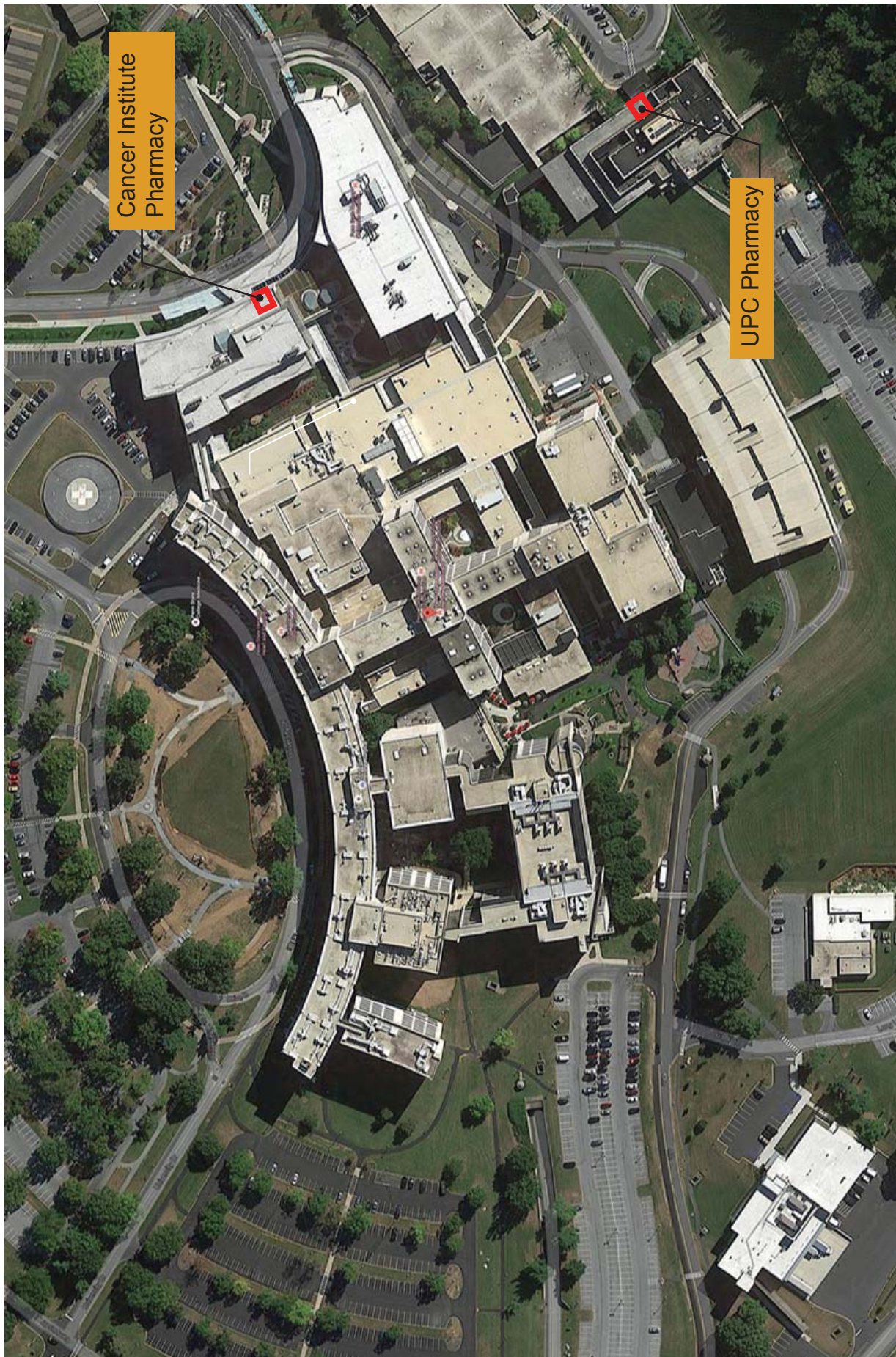
RESOLVED, That the Board of Trustees gratefully acknowledges the generous contributions of the many friends of the University identified in the *Summary and Acknowledgement of New Funds and Major Commitments*, in support of endowments, funds, and other major commitments as reported to the Committee on Finance, Business and Capital Planning at its meeting of February 23, 2017.

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



Penn State Health Milton S. Hershey Medical Center

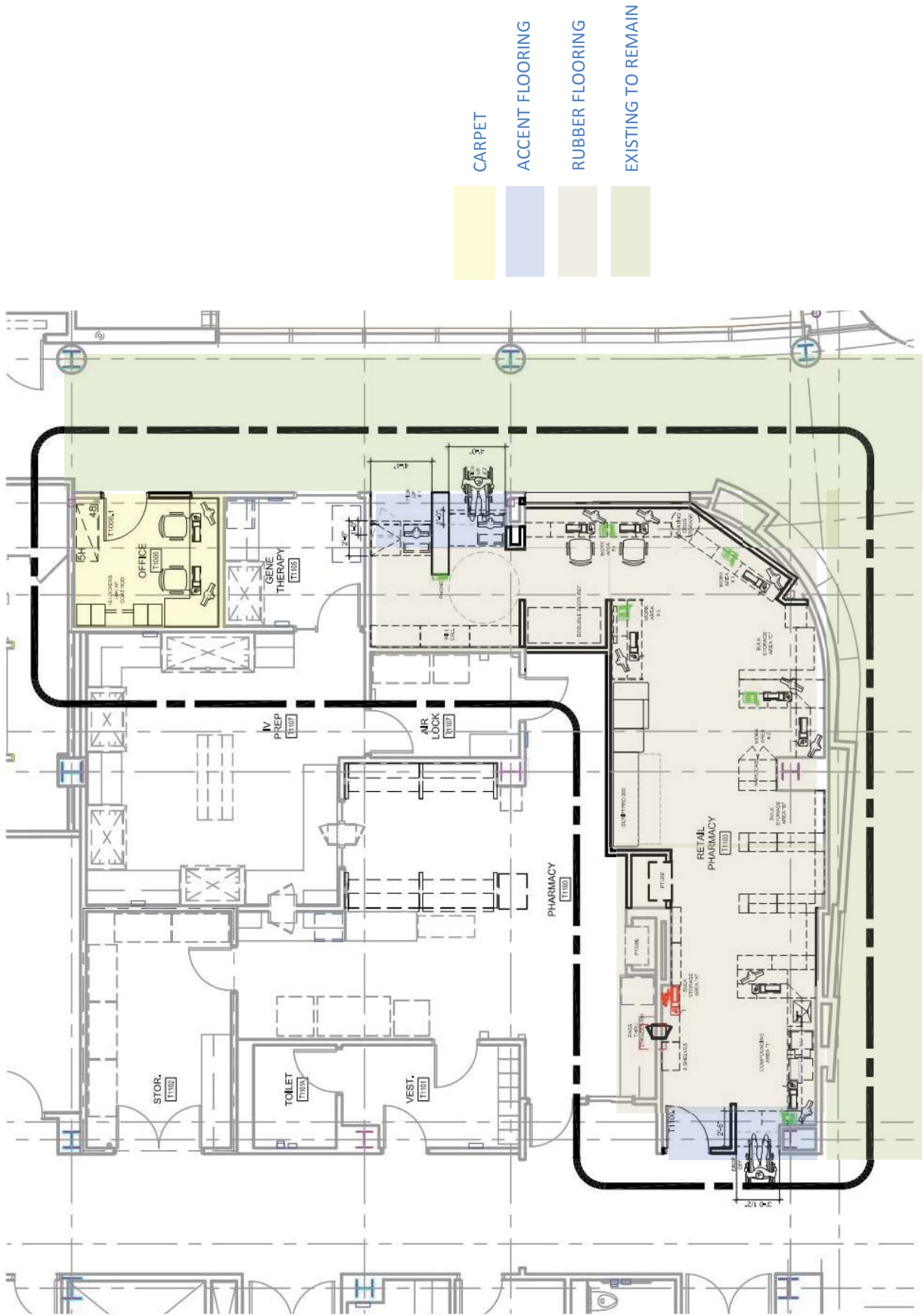


(Appendix II.2)

Penn State Health Milton S. Hershey Medical Center

2/24/2017

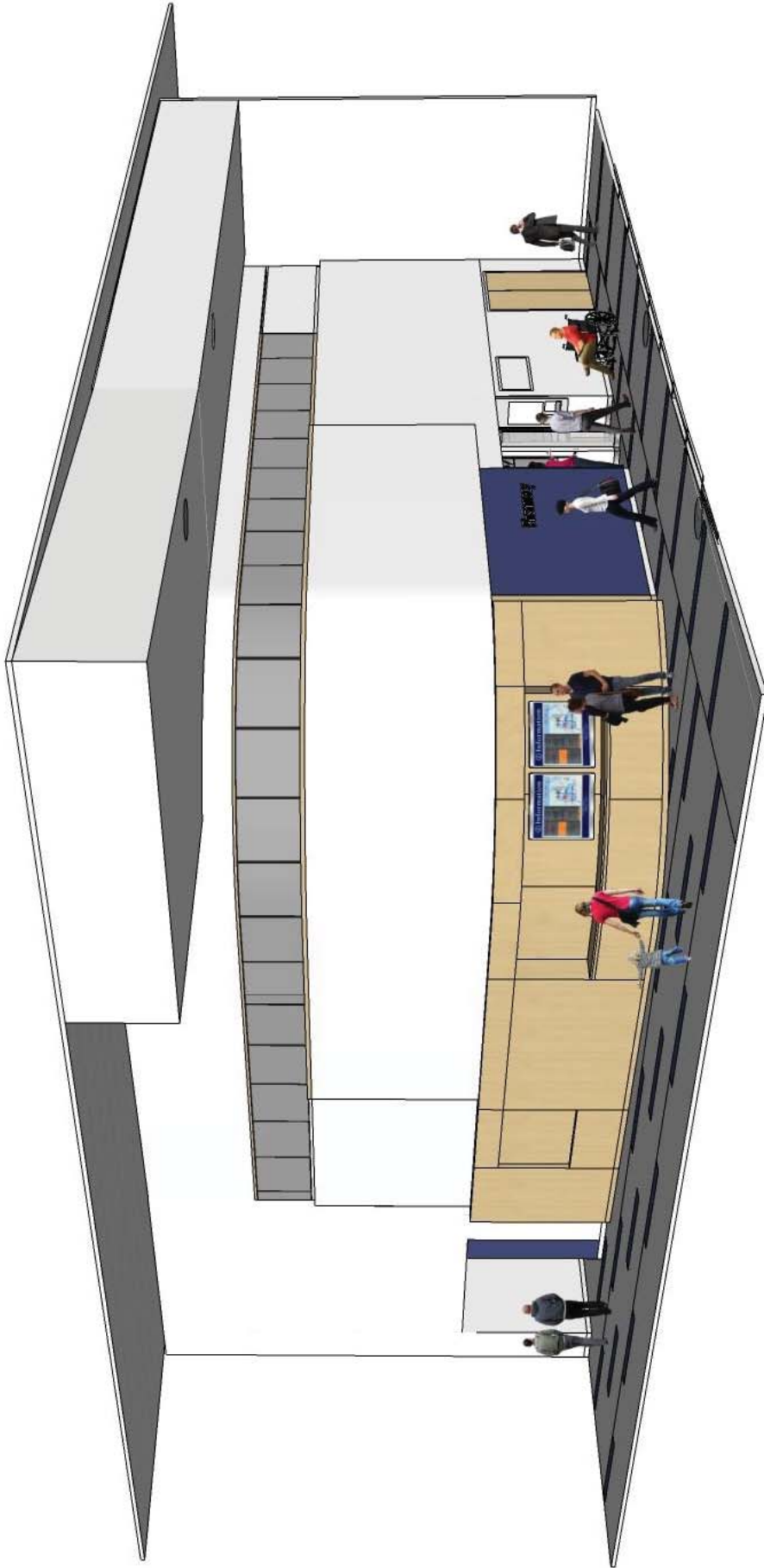
FB&CP



Cancer Institute Retail Pharmacy

(Appendix II.2)

Penn State Health Milton S. Hershey Medical Center

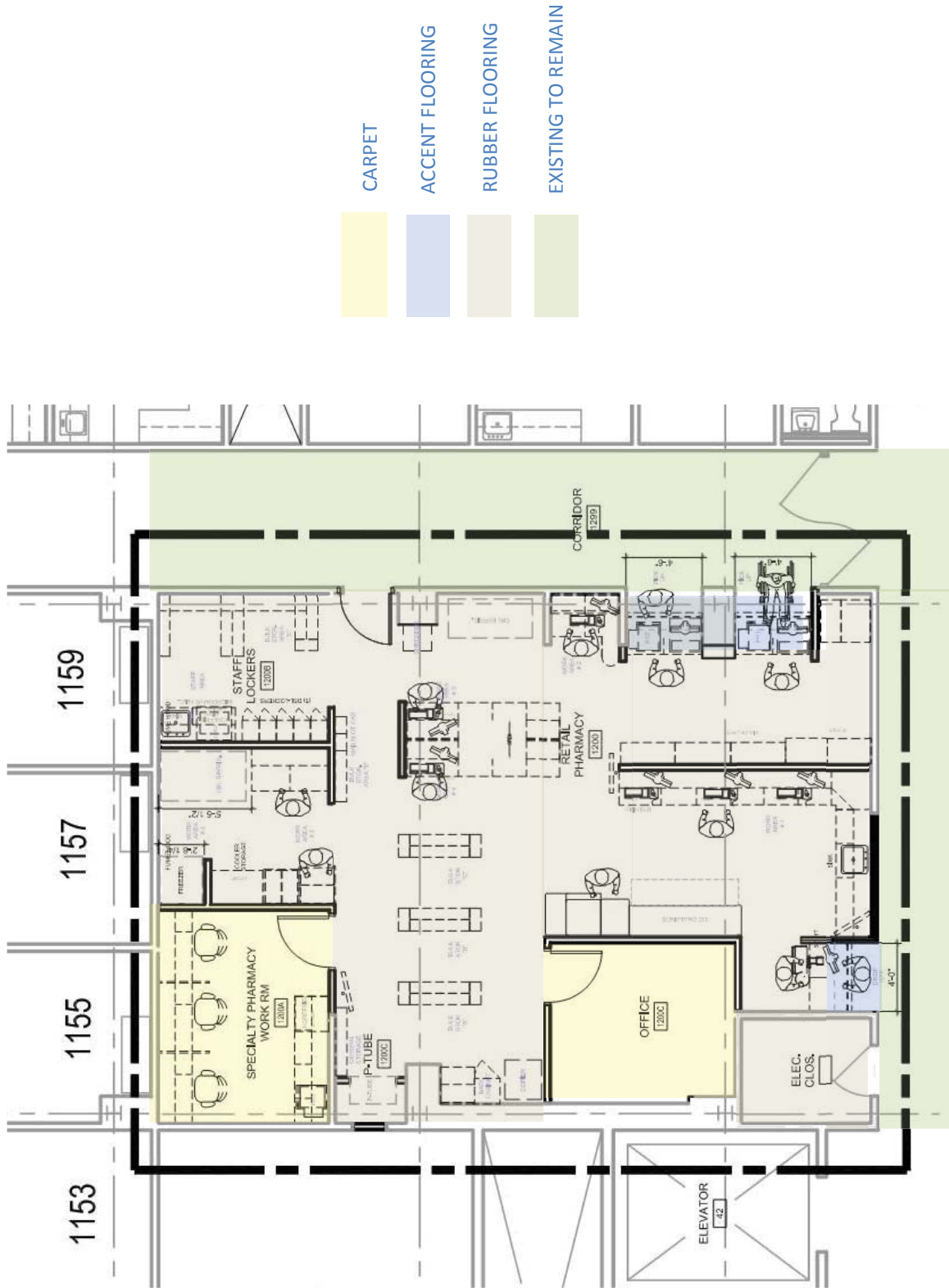


Cancer Institute Retail Pharmacy

Penn State Health Milton S. Hershey Medical Center

2/24/2017

FB&CP



UPC Retail Pharmacy

Penn State Health Milton S. Hershey Medical Center

2/24/2017

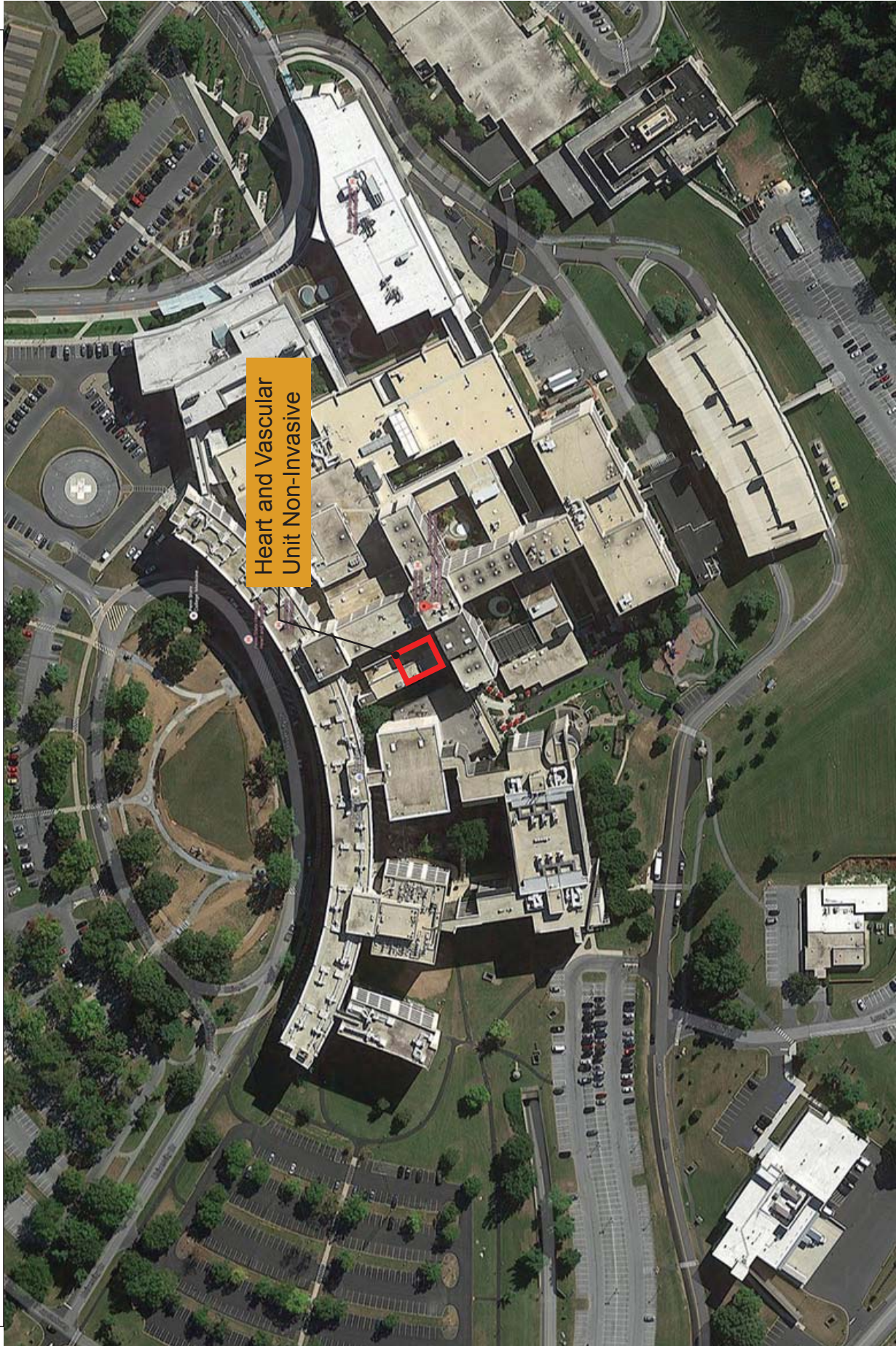
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UPC Retail Pharmacy

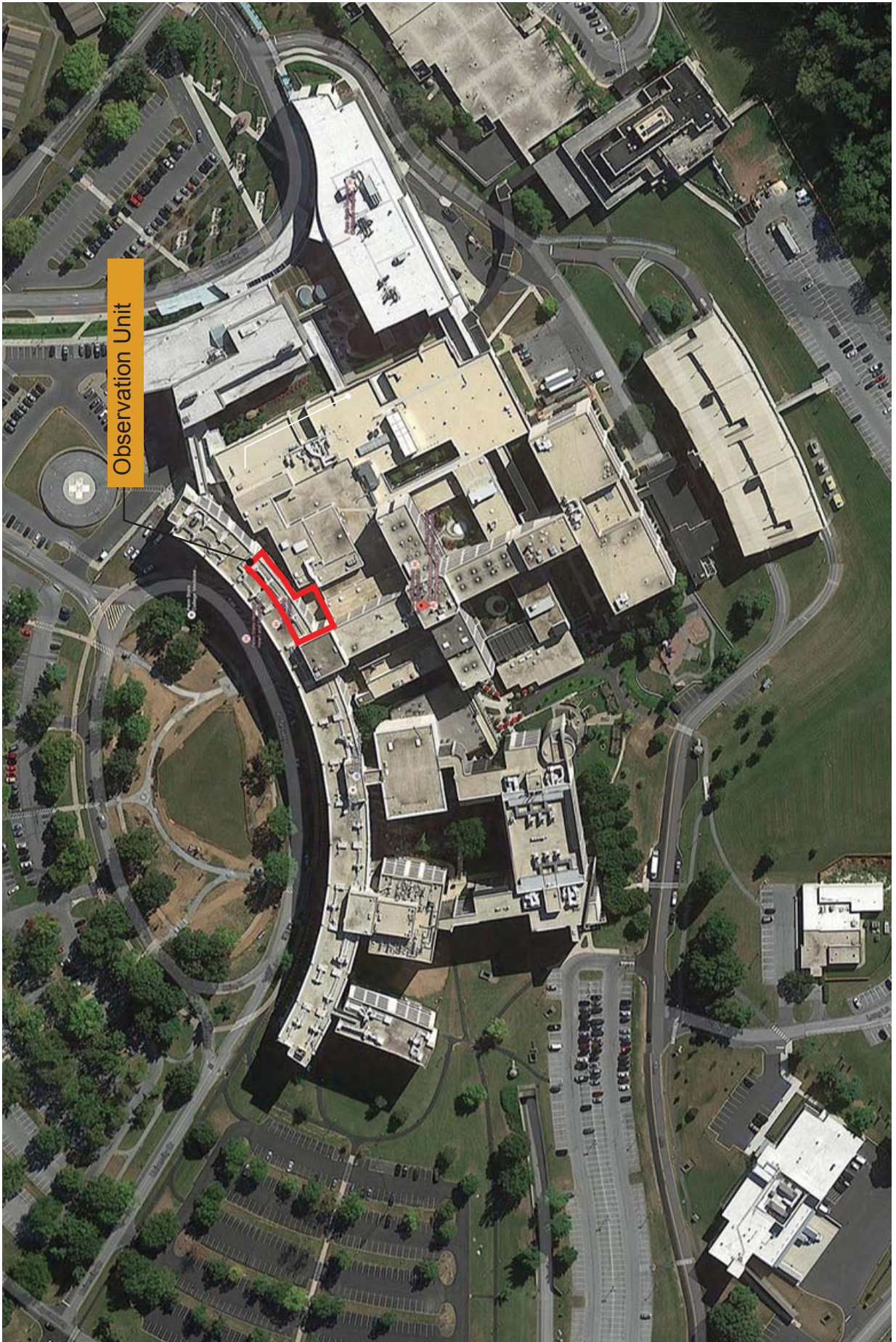
(Appendix II.2)

Penn State Health Milton S. Hershey Medical Center



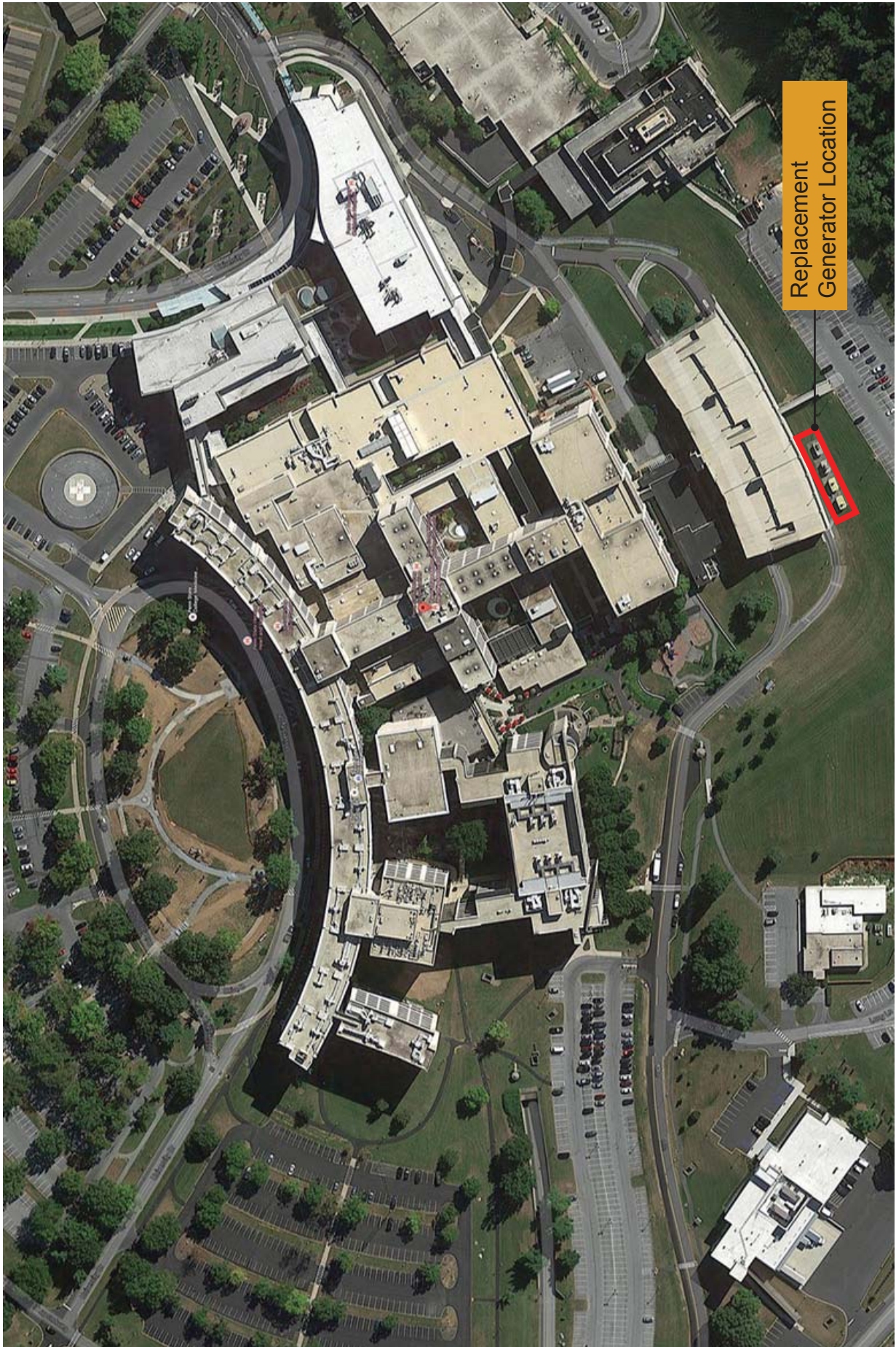
(Appendix II.3)

Penn State Health Milton S. Hershey Medical Center



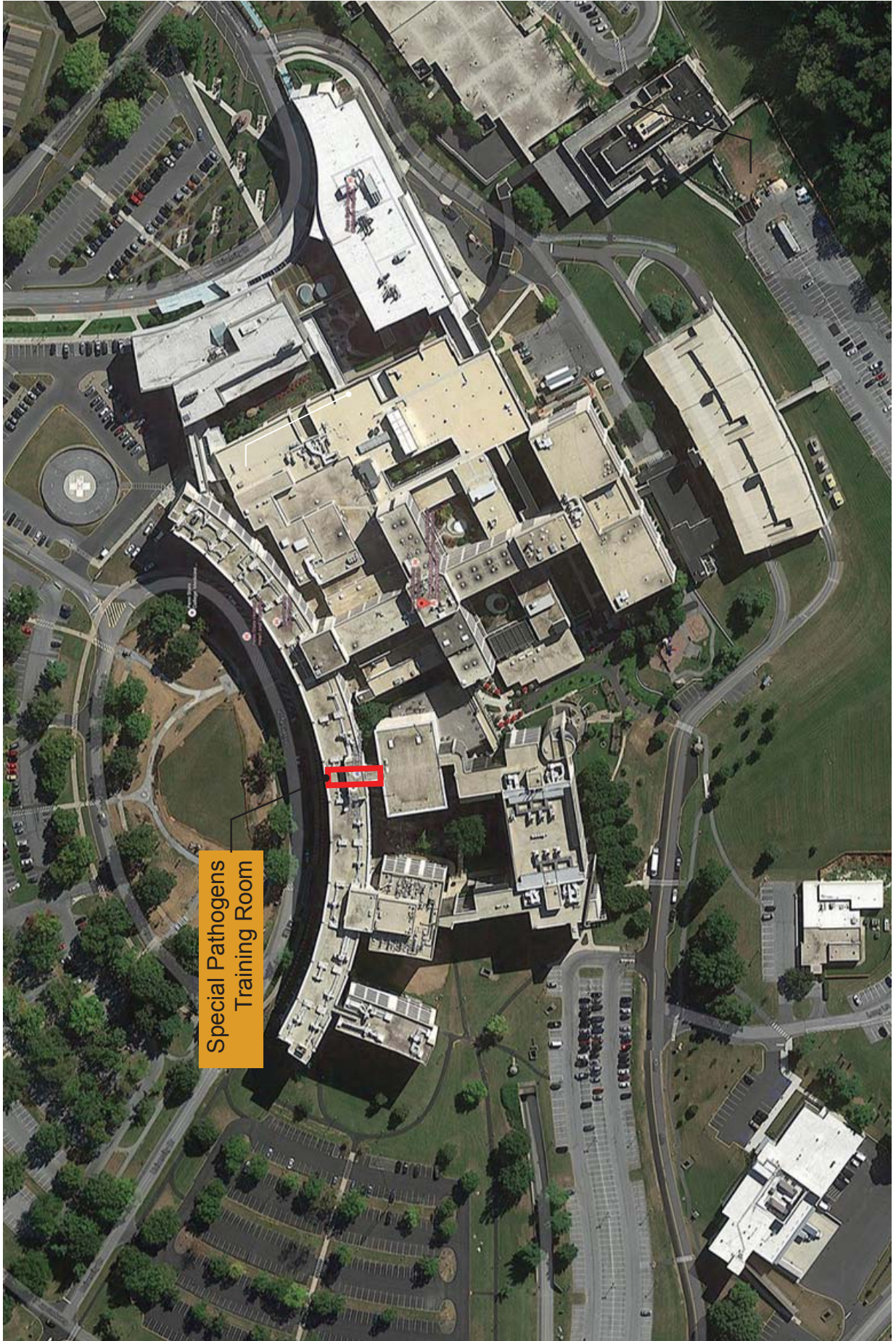
(Appendix II.4)

Penn State Health Milton S. Hershey Medical Center



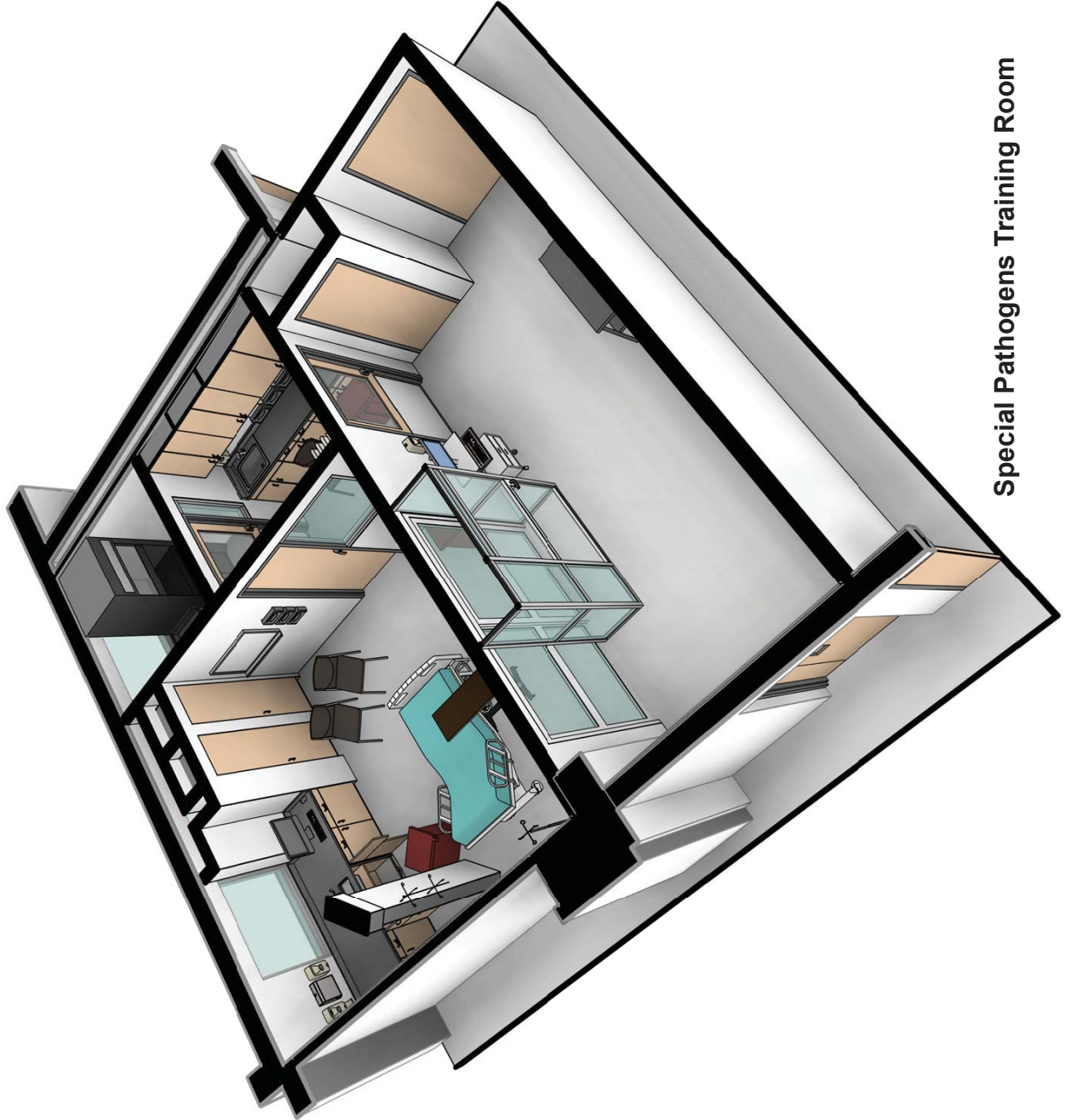
(Appendix II.5)

Penn State Health Milton S. Hershey Medical Center



(Appendix II.6)

Penn State Health Milton S. Hershey Medical Center



Special Pathogens Training Room

Penn State Health Milton S. Hershey Medical Center

2/24/2017

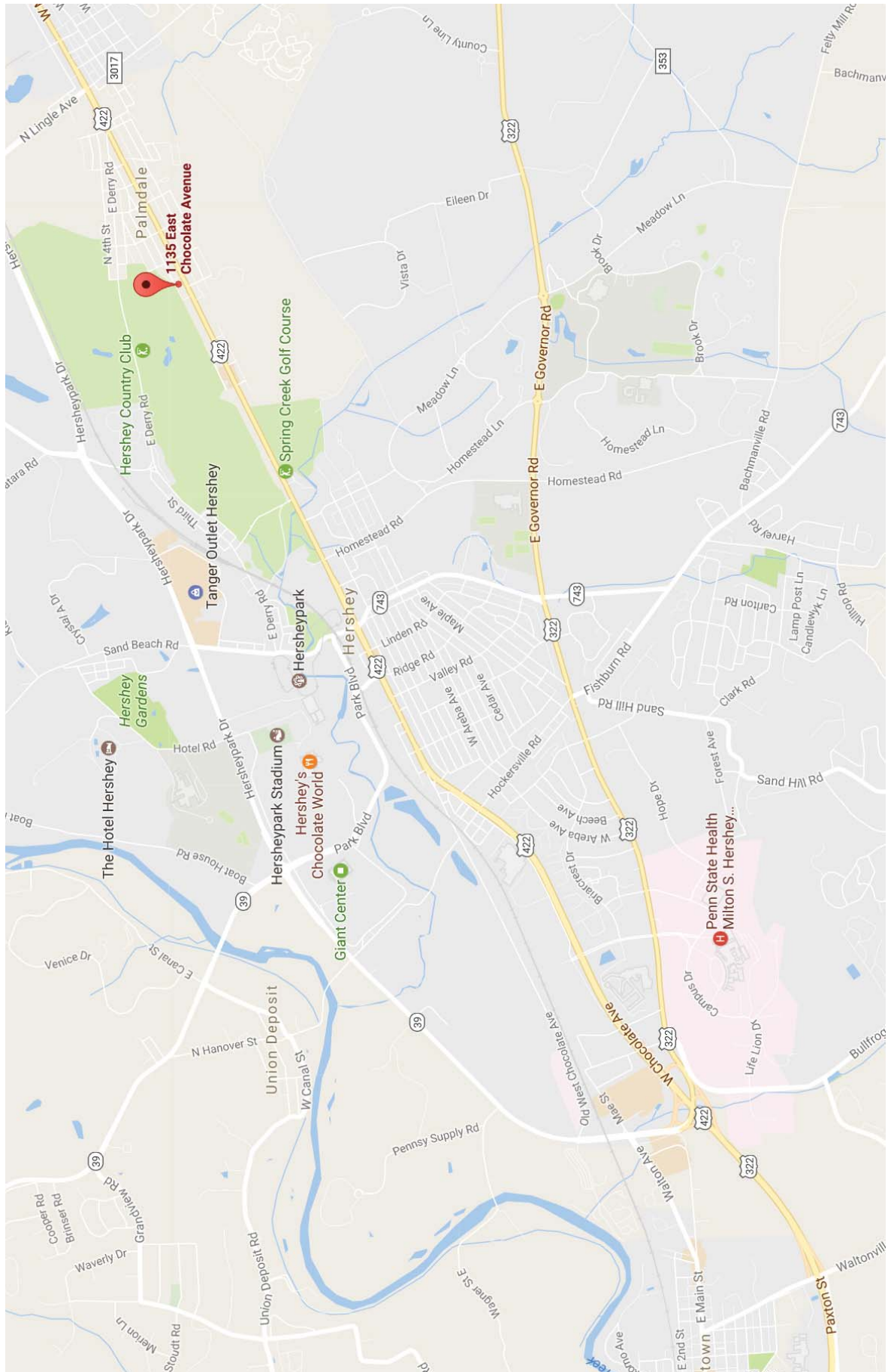
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Special Pathogens Training Room

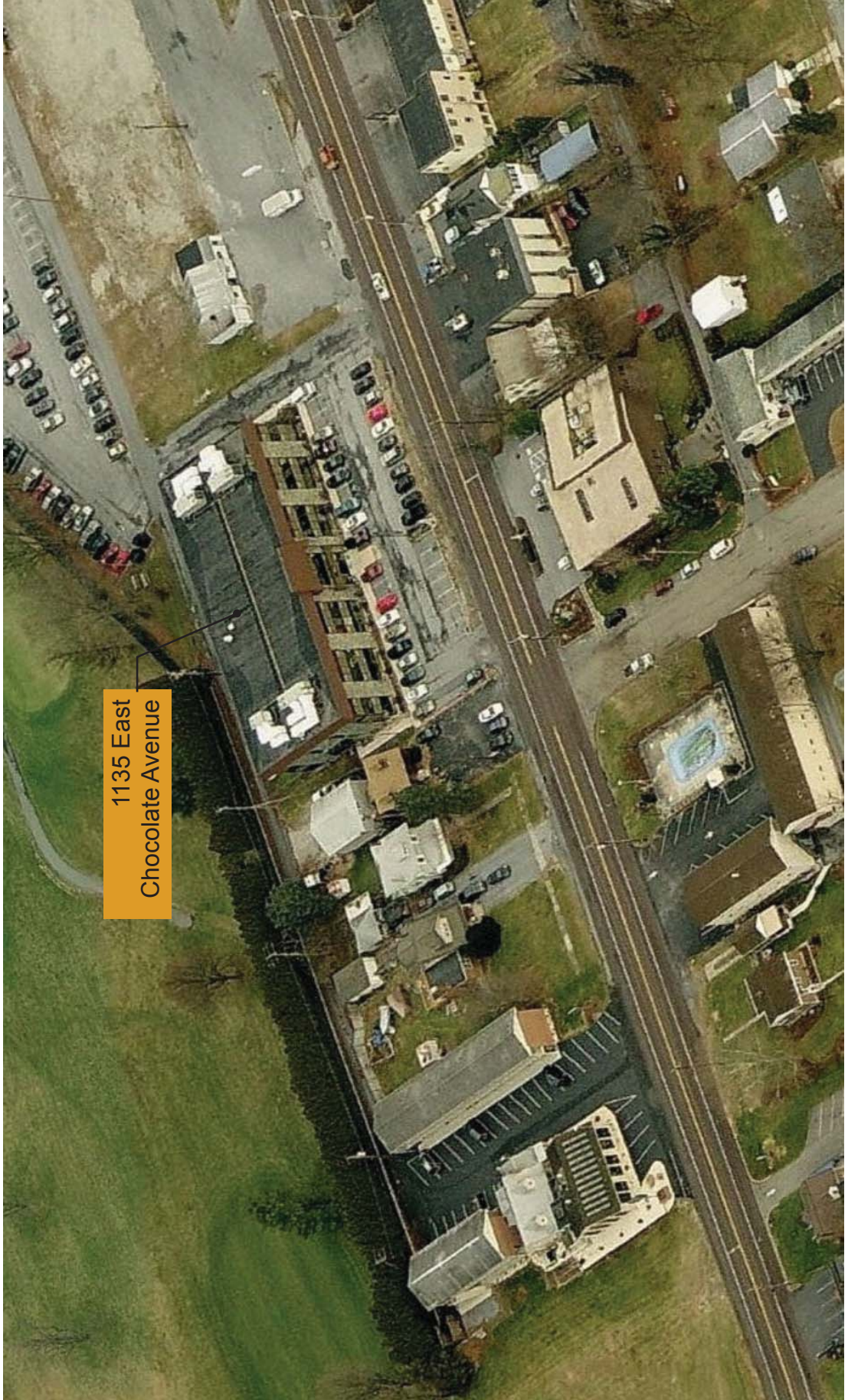
(Appendix II.6)

Hershey, Pennsylvania



(Appendix II.7)

Hershey, Pennsylvania



Hershey, Pennsylvania



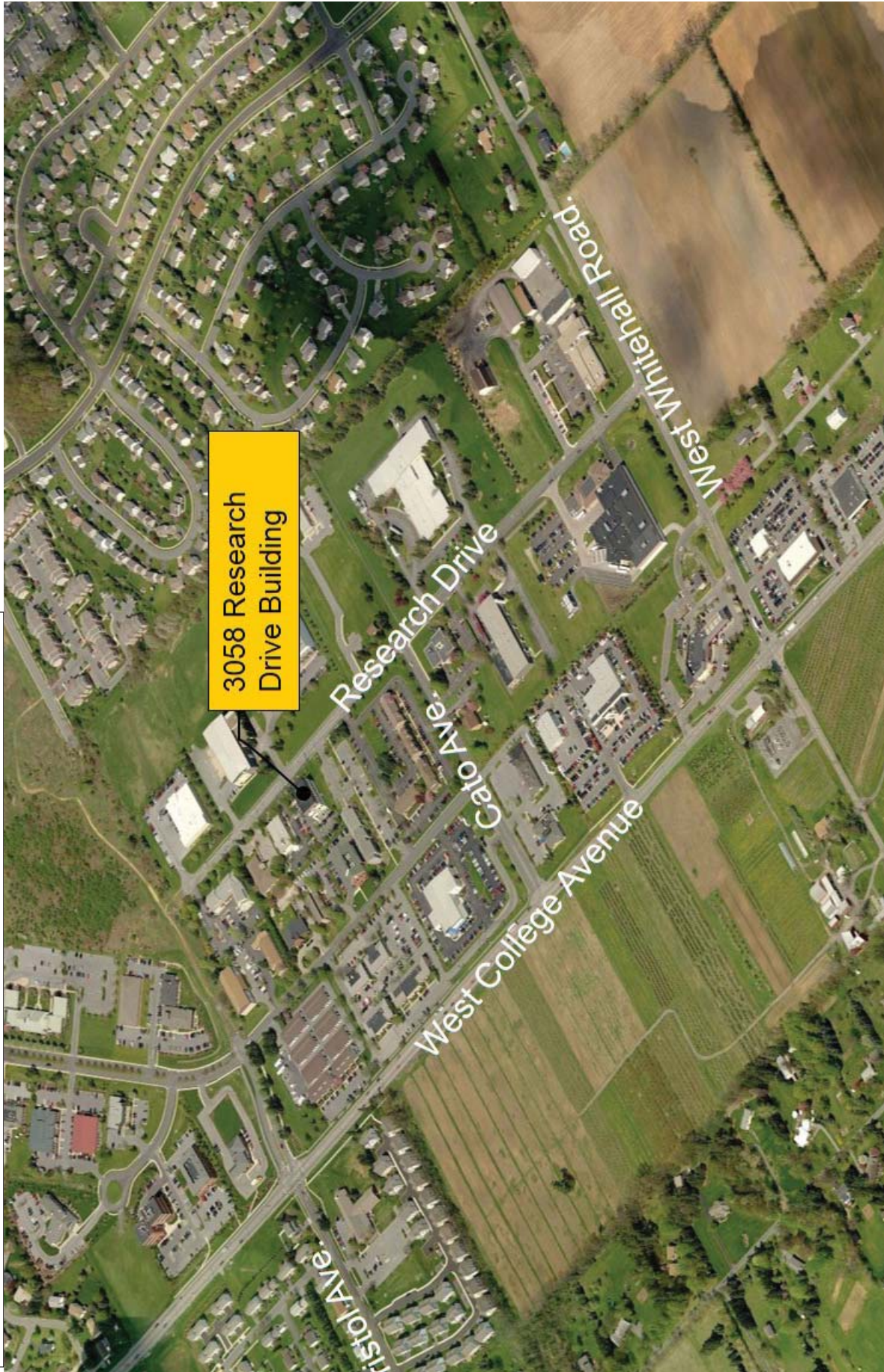
1135 East Chocolate Avenue - Second Floor

(Appendix II.7)

LEGEND

- CYBER SECURITY / IT - 29
MANAGER - 1
- TEAM MANAGER WORKSTATIONS - 3
- ASSOCIATE WORKSTATIONS - 25
- TRAINING - 14
- INSTRUCTOR - 1
- SEATS - 13
- INTEGRATED RADIOLOGY - 36
- MANAGER - 1
- TEAM MANAGER WORKSTATIONS - 2
- ASSOCIATE WORKSTATIONS - 33
- PRE-CERTIFICATION - 45
- MANAGER - 1
- TEAM MANAGER WORKSTATIONS - 2
- ASSOCIATE WORKSTATIONS - 42

State College, Pennsylvania

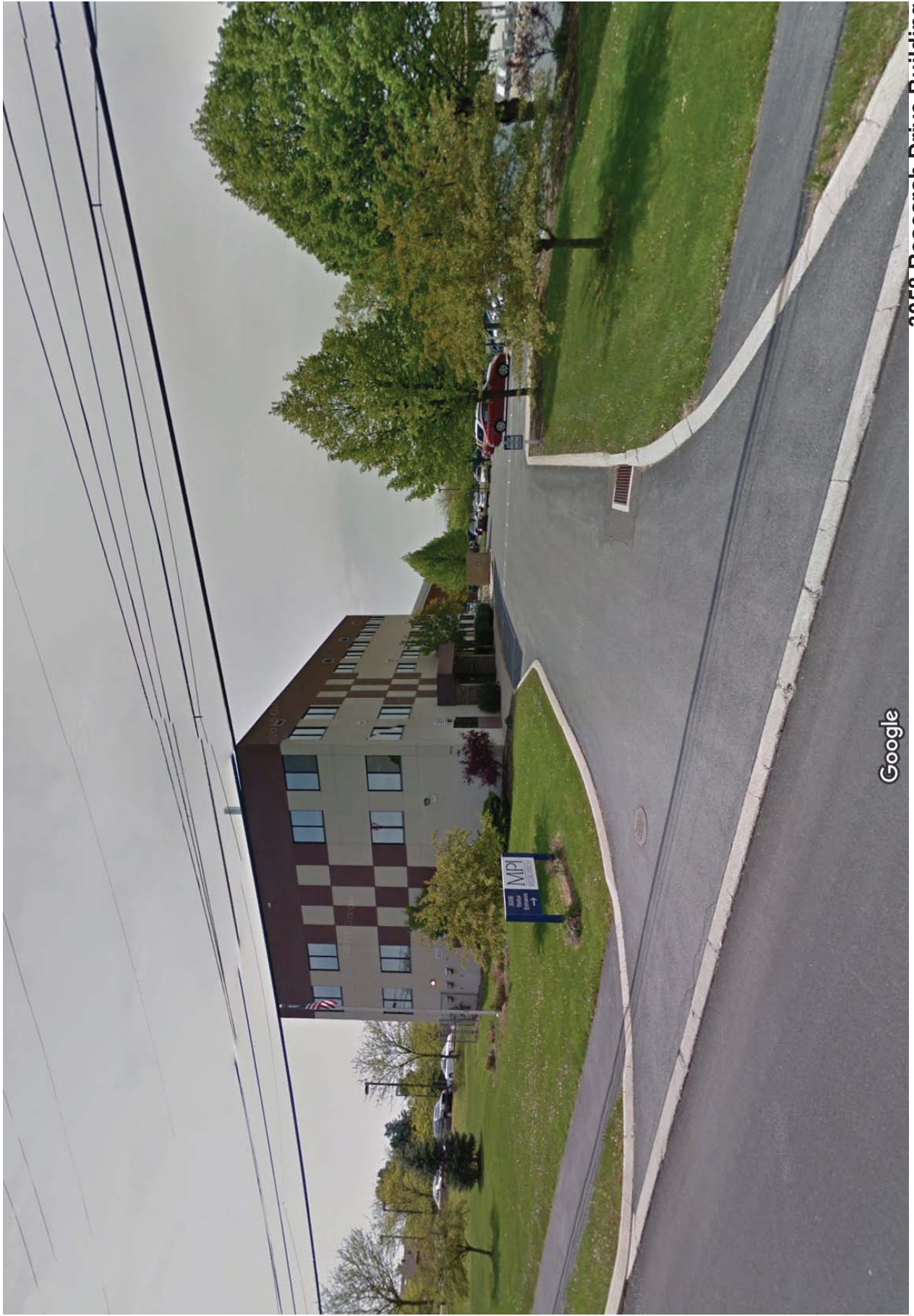


CATO Park

State College, Pennsylvania

2/24/2017

FB&CP



3058 Research Drive Building

(Appendix II.8)

STATUS OF MAJOR CONSTRUCTION PROGRAMS AND BORROWING (> \$5 Million)
January 31, 2017

Campus	Project Data			BOT Milestones		Commonwealth		Budget		Gift		Construction		Notes
	Project Name	Budget Amount	Funding	Arch/Eng Selection	Final Plan Approval	Start Date	Completion Date	Amount	Amount	Arch/Eng Selection	Final Plan Approval	Start Date	Completion Date	
	Agricultural Digester and Dairy Barn Replacement	\$9,500,000	\$0	07/15	05/17	06/17	07/18	\$0	\$0	07/15	05/17	06/17	07/18	Project in design.
	Agricultural Engineering Building Renewal	\$44,500,000	\$0	01/15	05/16	08/16	12/17	\$0	\$0	01/15	05/16	08/16	12/17	Construction is approximately 15% complete.
	Airport Infrastructure and Site Improvements	\$10,700,000	\$0	05/15	05/15	06/16	07/17	\$0	\$0	05/15	05/15	06/16	07/17	Construction is approximately 80% complete.
	Chemical and Biomedical Engineering Building	\$144,000,000	\$0	03/15	09/16	09/16	12/18	\$10,000,000	\$0	03/15	09/16	09/16	12/18	Construction is approximately 10% complete.
	East Halls Phase 1a, Earle Hall and Stuart Renovation	\$65,100,000			02/16	03/16	03/18			02/16	02/16	03/16	03/18	Construction is approximately 40% complete.
	East Halls Phase 1b, New Building and McKean & Pennypacker Renovation	\$106,000,000	\$0	11/14	02/17	03/17	07/18	\$0	\$0	11/14	02/17	03/17	07/18	Project bidding in progress.
	East Halls Phase 1c, Brumbaugh, Tener, and Pinchot Renovation	\$81,300,000			02/18	05/18	07/19			02/18	02/18	05/18	07/19	Project in design.
	Environmental Improvements BFP Installations	\$10,500,000	\$7,000,000	N/A	N/A	06/08	08/17	\$0	\$0	N/A	N/A	06/08	08/17	Project program is approximately 95% complete.
	Findlay Dining Commons Renovation	\$25,100,000	\$0	09/14	11/15	01/16	12/16	\$0	\$0	09/14	11/15	01/16	12/16	Construction is complete.
	HR Shared Services Fit-Out	\$8,900,000	\$0	N/A	09/16	01/17	11/17	\$0	\$0	N/A	09/16	01/17	11/17	Construction to begin in January 2017.
	IM Building Addition Phase III	\$29,340,000	\$0	03/13	02/16	05/16	08/17	\$0	\$0	03/13	02/16	05/16	08/17	Construction is approximately 60% complete.
	Lacrosse Facility Upgrades	\$8,400,000	\$0	03/15	TBD	TBD	TBD	\$0	\$8,400,000	03/15	TBD	TBD	TBD	On HOLD.
	Lasch Football Building Locker/Equipment Room Renovation	\$12,000,000	\$0	01/15	11/15	01/16	02/17	\$0	\$12,000,000	01/15	11/15	01/16	02/17	Construction is 98%.
	MRL Renovations	\$25,300,000	\$10,760,000	N/A	09/14	09/14	11/16	\$0	\$0	N/A	09/14	09/14	11/16	Construction is complete.
	North Halls, Robinson Hall	\$33,500,000	\$0	09/14	02/16	03/16	07/17	\$0	\$0	09/14	02/16	03/16	07/17	Construction is approximately 55% complete.
	Recital Hall and Music I Renovation	\$22,100,000	\$19,000,000	12/15 (DGS)	05/17	05/17	07/18	\$0	\$0	12/15 (DGS)	05/17	05/17	07/18	Project in design.
	Recreational Facility Access Modifications	\$7,500,000	\$6,000,000	N/A	02/16	06/16	04/17	\$0	\$0	N/A	02/16	06/16	04/17	Construction is approximately 70% complete.
	Research Building West HVAC Renovations	\$7,800,000	\$0	01/15	09/16	12/16	12/17	\$0	\$0	01/15	09/16	12/16	12/17	Construction is approximately 5% complete.
	Ritenour Student Center	\$6,510,000	\$0	N/A	11/15	01/16	02/17	\$4,200,000	\$0	N/A	11/15	01/16	02/17	Construction is approximately 95% complete.
	Roof Replacement Program	\$1,100,000	\$0	N/A	02/17	03/17	10/17	\$0	\$0	N/A	02/17	03/17	10/17	Project bidding in progress.
	Shaver's Creek Environmental Center Renovation	\$5,800,000	\$0	N/A	02/17	03/17	01/18	\$1,700,000	\$0	N/A	02/17	03/17	01/18	Project bidding in progress.
	Tower Road Data Center Whitespace Build-Out	\$8,000,000	\$0	N/A	09/16	11/16	11/17	\$0	\$0	N/A	09/16	11/16	11/17	Construction is approximately 5% complete.
	Transformer Replacement Program	\$11,100,000	\$1,000,000	N/A	N/A	06/07	07/17	\$0	\$0	N/A	N/A	06/07	07/17	Project program is approximately 92% complete.
	Water Treatment Plant and Distribution System Upgrades	\$62,000,000	\$45,000,000	01/11	03/15	05/15	03/17	\$0	\$0	01/11	03/15	05/15	03/17	Construction is approximately 92% complete.
	WCSP Steam Turbine Replacement	\$9,200,000	\$0	01/11	01/13	12/14	03/17	\$0	\$0	01/11	01/13	12/14	03/17	Construction is approximately 95% complete.
	WCSP Steam Production Modifications	\$57,300,000	\$0	01/11	11/12	02/14	08/18	\$0	\$0	01/11	11/12	02/14	08/18	Construction is approximately 65% complete.

UP

STATUS OF MAJOR CONSTRUCTION PROGRAMS AND BORROWING (> \$5 Million)
January 31, 2017

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	
Abington	Student Apartment Building	\$50,600,000	\$0	\$0	07/14	12/15	12/15	07/17	Construction is approximately 60% complete.
Altoona	Adler Building Addition and Renewal	\$24,500,000	\$13,710,000	\$0	12/13 (DGS)	11/15	02/16	10/17	Construction is approximately 55% complete.
Brandywine	New Residence Hall	\$31,500,000	\$0	\$0	07/14	12/15	03/16	07/17	Construction is approximately 40% complete.
	Student Union	\$19,600,000	\$0	\$0	07/14	12/15	03/16	07/17	Construction is approximately 50% complete.
Behrend	Parking Deck Expansion	\$7,100,000	\$0	\$0	11/16	07/17	08/17	12/17	Project in design.
	Trippe Hall	\$28,400,000	\$0	\$0	11/15	11/16	12/17	07/19	Construction is approximately 2% complete.
Hazleton	Kostos Building Renewal	\$15,500,000	\$12,000,000	\$0	10/14 (DGS)	02/16	05/16	10/17	Construction is approximately 35% complete.
	Combined Heat and Power Plant	\$22,500,000	\$0	\$0	11/15	09/16	04/17	10/18	Construction to begin in April 2017.
Hershey	Women's Health Inpatient Renovations, Phase II	\$11,000,000	\$0	\$0	11/15	05/16	06/16	12/17	Construction is approximately 15% complete.

Summary of University Long-Term Debt - \$(000) (excluding PCT)

Total Bonds, Notes and Capital Leases as of June 30, 2016	\$1,045,004
Bonds, Notes, and Capital Leases Issued Year to Date Fiscal Year 2016/17	\$17,337
Year to Date Principal Payments and Premium Amortizations	(\$24,567) *
Total Bonds, Notes and Capital Leases as of January 31, 2017	\$1,037,774

* Related Interest Expense Totals Approximately \$13,588

Authorized Borrowing Status - \$(000) (excluding PCT)

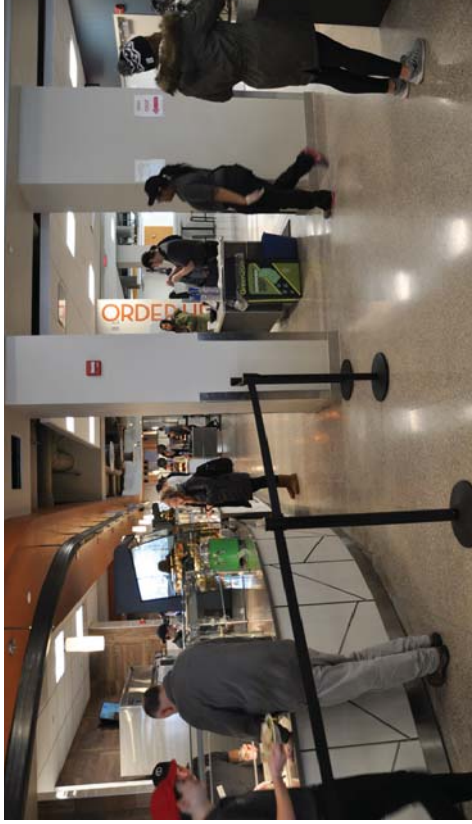
Borrowing Authority per September 2013 Board of Trustees	\$750,000
Capital Leases, Bonds, & Notes Issued	(\$325,026)
Future Capitalized Leases & Other Anticipated Commitments	(\$6,367)
Estimated Authority Remaining	\$418,607

University Park

Findlay Dining Commons Renovation - Final Construction Report



First Floor - open space Lounge and Dining area



Second Floor - new Retail Dining options



New Grand Stair connects the first and second floors

- Completion - December 2016
- \$25,100,000 Authorized
- \$25,100,000 Final Cost

SCOPE:

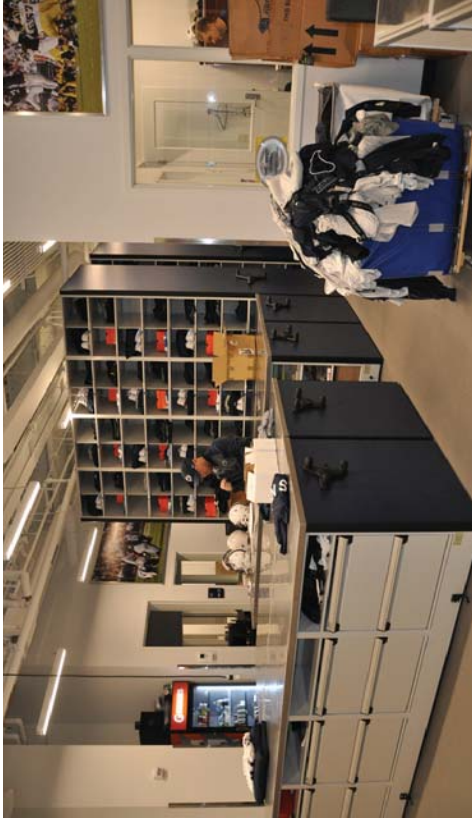
About 55,000 SF or 45% of Findlay Dining Commons was renovated to reflect the latest trends in food preparation, presentation, and dining experience. A key change is the addition of a new grand stair and elevator that connects the first and second floors. Retail functions were reconfigured and consolidated, creating a new open space that functions as both a lounge and dining area. Restrooms were upgraded for improved accessibility. The majority of funding came from Housing and Food Services reserves.

University Park

Lasch Building Locker/Equipment Room Renovation - Final Construction



Renovated Locker Room with updated graphics



Newly expanded Equipment Room



Players Hydrotherapy Room

- Completion - December 2016
- \$12,000,000 Authorized
- \$13,200,000 Final Cost

SCOPE:

This project expanded and reconfigured the locker room and showers. Key locations were highlighted with themed graphics. The equipment room was expanded to include a laundry facility with upgraded washers and dryers, high-density storage units and two offices. The loading dock was enclosed to provide secure access. Building mechanical and electrical systems were upgraded. The majority of funding came from fundraising and additional funds were identified to complete the players hydrotherapy room.

University Park

2/24/2017

FB&CP

Material Research Laboratory Renovation - Final Construction Report



Phase One - Battery Technology Research Laboratory



Phase Two - Carbon Materials and Solar Array Laboratory



New Student Breakout - Collaborative Area

- Completion - November 2016
- \$25,300,000 Authorized
- \$25,100,000 Final Cost

SCOPE:

Renovation of the 79,000 SF building was completed in two phases. MRL houses primarily laboratory research space and research support office space. Worn out mechanical and electrical systems were upgraded. The roof was replaced and hazardous materials were abated. Offices were renovated with new fan coil units, new lighting, ceilings, and finishes. The MRL building's new chilled water system also provides service to adjacent buildings. Funding was primarily from Reserves for Capital Improvement.

2017/18

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

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



Budget Planning Factors for 2017/18

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

Housing and Food Services will open four new facilities in fall 2017 as the first major milestone of our construction and renovation plan. At University Park, Earle Hall in East will house 336 students, and Robinson Hall in North will provide 311 beds. These new facilities will permit older residence halls to be taken off line for renovation. In addition, the Findlay Dining Hall renovation has been completed and began full service operation in January of 2017.

On-campus housing will be provided for the first time at Abington and Brandywine campuses. The apartment building at Abington has a capacity of 400 beds. Brandywine will open both a residence hall for 250 students and a new dining facility in the student union.

The room and board rates proposed for 2017/18 will meet the operating needs of our expanding 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

The financial plan provides for salary expense to match the 2.5 percent provision in the state budget request. Since the bargaining unit agreement for 2017/18 is not yet determined, a provision has been made for inflationary increases. Additional positions are included for staffing the new facilities. The fringe benefit rate is budgeted to increase by 7 percent.

Food Costs

Food costs for 2017/18 are expected to increase by 1.5 percent. This is less than the CPI, estimated to be 1.7 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 for existing facilities is anticipated to be stable for the coming year, due in part to consumption containment initiatives. Additional provision is included for the new facilities coming on line in 2017/18.

Supplies and services are expected to increase by 2.5 percent.

Residence Life

The fee for services provided by the Office of Residence Life will increase by 2.47 percent. This will generate an additional \$1,208,000 for increases in operating costs, anticipated salary increases, and room and board changes for resident assistants at all campuses, including the four new facilities.

OVERHEAD EXPENSES

Housing and Food Services Administration and Support Services

Administration and support services are expected to increase by \$117,000.

University Overhead

The budget for University administrative services is expected to increase by \$1,351,000. Housing and Food Services pays for central administrative services as a percentage of gross revenue. This rate is expected to be 4.75 percent for 2017/18.

PROPERTY EXPENSES

Debt Service

The annual debt service for 2017/18 will be \$38,269,000. This includes \$8,977,000 for the new facilities opening in fall 2017.

Deferred Maintenance and Facility Renewal

The budget provides \$31,952,000 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 additional housing at several campuses as well as the renovation of East and Pollock Halls at University Park.

The assessment impacts the room rate only and is in addition to the annual operating increase. For 2017/18, the fifth year of the capital assessment plan, the rate is 2.25 percent as approved by the Board of Trustees in May 2016. The budget provides for an increase of \$2,700,000 in this category.

INCOME

In response to student feedback, the Campus Meal Plan is being revised effective fall semester 2017. The change addresses requests for a smaller plan 1 and reduces the number of options overall. The cost of the smallest plan has been reduced by 6 percent.

A student living in a standard double room who selects the mid-level meal plan will pay 3.15 percent more for room and board in 2017/18. The recommended rate increases will generate the \$16,697,000 in additional income required to meet the needs of the capital improvement plan and the operational needs for the existing and new facilities.

Expense Increases for 2017/18

	2016/17 Budget	Proposed 2017/18 Budget	2017/18 Increase	2017/18 % Change
Payroll & Related	\$51,560,000	\$56,918,000	\$5,358,000	10.39%
Food Costs	29,063,000	30,624,000	1,561,000	5.37%
Utilities	17,945,000	18,921,000	976,000	5.44%
Other Operating Expenses	30,346,000	32,779,000	2,433,000	8.02%
H&FS Admin. & Support	2,323,000	2,440,000	117,000	5.04%
University Overhead	8,889,000	10,240,000	1,351,000	15.20%
Property	75,454,000	80,355,000	4,901,000	6.50%
Total Expense	\$215,580,000	\$232,277,000	\$16,697,000	7.75%

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

Room Description	Number of Occupants	2016/17 Current Rate	2017/18 Proposed Operating Increase	2017/18 Proposed Capital Assessment	2017/18 Proposed Rate	2017/18 Proposed Increase
Standard Double	2	\$2,970	\$53	\$67	\$3,090	\$120
Standard Double/Bath	2	3,130	55	70	3,255	125
Renovated Double	2	3,230	77	73	3,380	150
Small Double	2	2,230	35	50	2,315	85
Triple	3	2,675	45	60	2,780	105
Triple/Bath	3	2,970	53	67	3,090	120
Quad	4	2,675	45	60	2,780	105
Quad/Bath	4	2,970	54	66	3,090	120
Quad as Triple	3	2,970	54	66	3,090	120
Standard Single	1	4,070	49	91	4,210	140
Standard Single/Bath	1	4,150	52	93	4,295	145
Renovated Single	1	4,150	52	93	4,295	145
Eastview Single/Bath	1	5,180	64	116	5,360	180
Eastview Large Single/Bath	1	5,565	70	125	5,760	195
RA Rate	1	1,890	3	42	1,935	45
Standard Double Suite	2	3,510	61	79	3,650	140
Standard Double Suite as Triple	3	2,960	59	66	3,085	125
Standard Single Suite	4	4,120	52	93	4,265	145
Double Suite	2	3,770	65	85	3,920	150
Single Suite	1	4,990	63	112	5,165	175
University Park, Nittany Apartment						
<i>Rate/Person/Semester*</i>						
2 Bedroom Garden	4	\$3,600	\$64	\$81	\$3,745	\$145
4 Bedroom Garden	4	4,050	69	91	4,210	160
4 Bedroom Townhouse	4	4,195	70	95	4,360	165
Erie, Behrend Apartment						
<i>Rate/Person/Semester*</i>						
2 Bedroom Garden	4	3,600	64	81	3,745	145
Harrisburg & Abington Apartment						
<i>Rate/Person/Semester*</i>						
Apartments-Bedroom Single	4	4,300	73	97	4,470	170
Apartments-Bedroom Double	6	3,780	65	85	3,930	150
Apartments-Bedroom Triple	9	3,400	64	76	3,540	140

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.

University Park Graduate Apartment Rates
Approved by the Board of Trustees September 2016

Room Description	2017/18 Rate
University Park, Graduate Family Apartment	
<i>Rate/Month*</i>	
White Course 1 Bedroom	\$1,125
White Course 2 Bedroom	1,275
White Course 3 Bedroom	1,430
White Course 3 Bedroom w/Half Bath	1,445
University Park, Graduate Apartment	
<i>Rate/Person/Month*</i>	
White Course 4 Bedroom	905

**Apartment rate includes utilities*

**Proposed Board Plan
Rates/Semester**

Meal Plan	2016/17 Current Rate	2017/18 Proposed Rate	2017/18 Proposed Increase	2017/18 Dining Dollars
Plan 1	\$2,110	\$1,985	(\$125)	\$615
Plan 2	2,260	2,305	45	935
Plan 3	2,645	2,550	(95)	1,180

History of Double Room and Mid-Level Meal Plan Rates 2013–2018

Year	Semester Rate	Semester Increase	Percent Increase
2017/18 <i>Proposed</i>	\$5,395	\$165	3.15%
2016/17	\$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%