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**Meetings of the Board of Trustees**

**March 7, 2014**

# **Minutes**

**MINUTES OF MEETINGS OF  
BOARD OF TRUSTEES  
VOLUME 277  
TABLE OF CONTENTS**

	<u>PAGES</u>
Board of Trustees	
President's Report.....	2-5
Public Comment.....	6
Reports of the Standing Committees	
A. Committee on Academic Affairs and Student Life.....	6-7
B. Committee on Audit and Risk.....	7-8
C. Committee on Compensation.....	8
D. Committee on Finance, Business and Capital Planning.....	8-11
E. Committee on Governance and Long-Range Planning .....	11-12
F. Committee on Legal and Compliance .....	12
G. Committee on Outreach, Development and Community Relations .....	12-13
Appendix I.....	14-21
Appendix II .....	22
Appendix III .....	23-31

277-1  
MINUTES OF MEETING  
**BOARD OF TRUSTEES**  
VOLUME 277  
March 7, 2014

A meeting of the Board of Trustees was held in Room 302 of the University Fitness and Conference Center, The Penn State Milton S. Hershey Medical Center, at 1:30 p.m. on March 7, 2014.

The following Trustees were present: Masser (chairman), Silvis (vice chairman), Alexander, Arnelle, Broadhurst, Brown, Casey, Cotner, Dambly, Dandrea, Doran, Eckel, Erickson, Greig, Harpster, Huber, Khoury, Lubert, Lubrano, McCombie, Myers, Oldsey, Peetz, Shaffer, Strumpf, and Taliaferro. Emeriti Trustees Junker, Riley, Robinson, and Wolff were also present.

Present by invitation were faculty representatives Kulikowich and Yarnal; student representatives Droelle, Mullen, and Rager; committee staff representatives, Egolf, Hubler, Salvino, Shaffer, and Warner; staff members Andrews, Basso, DiRaimo, Dunham, Gray, Hanes, N. Jones, T. Jones, Kirsch, Mulroy-Degenhart, Paz, Poole, Sharkey, Sims, Volkmann, and Weidemann; and Guadagnino.

Chairman Masser's opening remarks are included as follows:

"Good afternoon and welcome.

"A special thanks to Hal Paz for hosting our meetings, and soon we will all receive a very informative update from Hal on the Hershey Medical Center.

"I would like to thank our University Faculty Senate officers -- Chair Brent Yarnal, Chair-Elect Jonna Kulikowich and Secretary Jeff Laman. This is the last meeting for the Senate Officers in their respective positions as the election of officers will occur prior to our next meeting. Our special thanks to each of you for your role in the shared governance of our University. [Applause]

"As our student leaders attend their last Board meeting of the academic year, I would like to call upon each for some brief remarks.

Molly Droelle, President of the Council of Commonwealth Student Governments; Scott Rager, President of the Graduate Student Association; and Katelyn Mullen, President of the University Park Undergraduate Student Association, expressed their gratitude for the opportunity to serve on behalf of the University.

"Please join me in thanking our three student leaders for their commitment to Penn State, and their many contributions to the governance process. [Applause]

"Although you'll be hearing more about THON 2014 later today, I want to take a moment to offer my sincerest congratulations to everyone involved, on behalf of the Board of Trustees. From the 15,000 students who work year-round to the medical professionals and researchers at Penn State Hershey to the alumni, donors and friends who contribute selflessly, THON is a transformative event. I couldn't be more proud to watch it successfully unfold each year. When you see so much hard work, enthusiasm, compassion and commitment, you have to believe that these students can solve the world's toughest problems and make a real difference in people's lives.

"I want to thank everyone for the positive feedback we have received since the announcement that Dr. Barron will be Penn State's 18th President. I'm very encouraged by your goodwill, the overwhelming support for Dr. Barron, and the unanimous vote for his appointment. He will begin his Presidency on May 12.

"In the meantime, we will have many opportunities to thank Rod Erickson for his 37 years of dedication and service to Penn State. Rod has given his heart and soul to this institution, and I look forward to working with him during his remaining time at the helm.

"Of course, we're not going to allow him to relax anytime soon. In fact, Rod has been very busy advocating on Penn State's behalf during this critical state appropriation period. Last week, Rod, along with the leaders from Temple, Pitt and Lincoln University, spoke passionately about the impact that the appropriation has on our in-state tuition. The legislators from both the House and Senate were exceptionally complimentary, noting Rod's tireless efforts to help Pennsylvania families, to provide an outstanding education, and to further the economic development of the Commonwealth. We're hopeful that Rod's message will resonant with the governor as he finalizes the budget for next year."

The roll was called by Janine Andrews, Associate Secretary of the Board. Following the roll call, the Board voted to approve the minutes of the meeting of the Board held on January 17, 2014.

Chairman Masser continued:

"At this time, I would like to ask President Erickson to present his report."

### **President's Report**

Dr. Erickson's report is included as follows:

"Thank you Keith.

"Before I begin my regular update, let's take a moment to recognize the passing of Dr. Joab Thomas, Penn State's 15th President. He passed away peacefully on Monday at Hospice of West Alabama in Tuscaloosa. He was 81.

"It was a privilege and honor to work with Joab. He cared deeply about the people at Penn State – particularly our students—and he was single-minded in his pursuit of educational excellence. During his tenure as President, Joab led efforts to strengthen undergraduate education; he initiated the largest building program in the University's history; and his focus on fiscal responsibility resulted in more efficient resource allocation, as well as enhanced philanthropy and corporate partnerships.

"In addition, Joab oversaw Penn State's entry into the Big Ten athletic conference and the Committee on Institutional Cooperation, the academic consortium of the conference. Beyond these achievements, Joab will always be remembered for his kindness, his personal notes to faculty, students and staff, and the great care with which he undertook his responsibilities as President.

"Let's share a moment of silence to honor Dr. Joab Thomas. [Pause]

"Now I'd like to acknowledge Hal Paz and the many faculty members, staff, and students, who have worked so hard to make our meetings here productive and informative. Penn State Hershey is a wonderful asset for this region, and is critical in advancing Penn State's mission of teaching, research and service. Please join me in thanking everyone at Penn State Hershey for a job well done. [Applause]

"As Keith noted, I recently participated in the House and Senate Appropriation Budget Hearings in Harrisburg. Although the legislators were supportive of Penn State and the other state-related institutions, if the Governor's budget proposal stands as recommended, it will require Penn State to make difficult choices. But we are aiming to keep to a minimum any tuition increase we bring to you for approval in July. We're

sensitive to the fact that working families are struggling to meet the higher education needs of their children, and we're committed to keeping Penn State affordable and accessible. Led by Mike DiRaimo and his staff in Governmental Affairs, we are working diligently every day to make a compelling case for more funding with members of the General Assembly and the Administration.

"As I do at each meeting, I'll provide a brief admissions update.

"Our applications for admission continue to outpace last year's numbers. Baccalaureate applications are up by almost 9,000 compared to last year at this time, an increase of 19 percent at University Park and 8 percent at the Commonwealth Campuses. Out-of-state applications are up 26 percent, Pennsylvania applications are up 8 percent, and international applications rose again this year by 18 percent. Minority applications exceed those received last year to date by 16 percent. The quality of the applicant pool is noticeably higher, too, with average SAT scores about 20 points higher. With nearly 6,700 acceptances so far, the 2014 undergraduate class is taking shape.

"The Graduate School is also showing strong growth. Graduate applications are up 5 percent compared to this time last year, and Law and Medical School applications are higher by 13 and 18 percent, respectively. Notably, applications to the College of Medicine topped 8,800 earlier this week; these prospective students will be competing for 145 spaces in this fall's entering class.

"Penn State's reputation continues to climb in national and international rankings. This week we learned that Penn State now ranks 39th among universities worldwide in the fourth annual Times Higher Education World Reputation Rankings—that's up 10 places from last year. This ranking is based on the world's largest survey of its kind, and engages more than 300,000 academics and researchers, who are asked to identify institutions they consider to be the best in terms of research and teaching. Although students choose colleges for many reasons—rankings, cost, location, or majors—the number one reason students choose a college is academic reputation. In fact, 64 percent of the students surveyed in a study of American Freshman Norms by UCLA researchers cited academic reputation as very important in influencing their final college selection.

"The faculty is the main driver of academic reputation, and Penn State is fortunate to have faculty members who rank among the top tier in their disciplines. Take Dr. Susan Russell for example. Susan was just named the Penn State Laureate for 2014-15. An associate professor of theatre, Susan has a distinguished background as an actor, musician, playwright, stage director, teacher, speaker, author and community advocate. In 2007, she created Cultural Conversations, which is a new visual, theatre, and dance festival devoted to promoting and fostering new works that circle themes of global and local diversity. She has worked with the State College Area School District to explore issues that affect middle and high school students. She has also pioneered cross disciplinary creativity in the recent Penn State MOOC titled Creativity, Innovation, and Change. With over 120,000 registered students, this was one of the most popular courses ever offered through Coursera.

"Speaking of MOOC's, Penn State's five MOOC's have yielded total registrations of 373,000, of which 232,000 students accessed the course materials. Over 8 percent of those starting the courses completed them; that's a relatively high percentage among our peers. Although there is still no identifiable business model for the MOOC experiment, the learning, the research, the reach and connections, and the impact on the participating MOOC faculty's resident instruction has exceeded our expectations. And we believe our participation in these MOOC's will positively benefit Penn State's visibility in the online marketplace that is served by our award-winning World Campus.

"In other research news, this year three Penn State Liberal Arts faculty members were awarded National Endowment for the Humanities Fellowships to continue their writing projects. The recipients are Hester Blum, associate professor of English, Debra Hawhee, professor of English and communication arts and sciences, and Janina Safran, associate professor of history.

"Although I've heard scientists say, "It's not magic, it's science," sometimes it really does seem like magic. For example, a Penn State team of chemists and engineers have successfully placed tiny synthetic motors inside live human cells, and then propelled them with ultrasonic waves and steered them magnetically. While it's not quite the *Fantastic Voyage* or the *Magic School Bus*, this research could lead to new treatments for cancer and other diseases, as well as intercellular surgery and drug delivery.

"Another story that made news in *Forbes*, *Time Magazine*, *Science World Report* and other publications involves a new technique developed by Penn State scientists that can detect water vapor on distant planets. As you may know from *Star Trek*, evidence of water provides important clues to the atmosphere as well as how planets form and evolve. Whether life exists on other planets is still science fiction, but this new research is helping discover new worlds.

"When discussing the transformative research underway on our campuses, it's important to note how critical it is that we have modern, top notch facilities. We are working toward that goal, and although we often focus on our large-scale building projects, I want to recognize the care and detail that goes into the smaller projects as well. One such building is the Pell Laboratory for Advanced Biological Studies at Penn State. This state-of-the-art lab recently received an Honor Award from the New England Chapter of the American Institute of Architects. This is the highest award given to a project designed by New England architects. The Pell Lab was recognized for its innovative plan, well organized research spaces, and design as a Select-Agent facility, which allows it to take on advanced research projects.

"A hallmark of a Penn State education is the ability of our students to work with faculty on original research as undergraduates. Recently, *Business Insider* featured the accomplishments of 18 incredibly impressive Penn State students. While this group only scratches the surface of the many wonderful students working on our campuses, it does offer a nice range of the work underway. For example, Megan Draper, a Penn State Brandywine student, traveled to Borneo to work with the Orangutan Tropical Peatland Project. This organization is striving to safeguard several of the most significant areas of tropical rain forest, using research and conservation solutions to achieve their goals. Noor Nahavandi, a business student, is a serial entrepreneur. He started a web design and online marketing company when he was a freshman, and has added Nittany Consulting Group to his business portfolio. Noor won the 2013 Smeal Case Competition, and his goal is to build companies that have a positive impact on the world. Then there's Marcy Herr, an education major, who has been focused on children's rights and education. Marcy will receive the 2014 Penn State Undergraduate Student Leadership and Service Award, which is given to only one undergraduate student a year. Upon graduation, Marcy will join the Teach for America program. Penn State students are not only in the news, they report it too in award-winning fashion. For the second year in a row, "Centre County Report," a weekly TV newscast produced by College of Communications students, earned the top awards in the Broadcast Education Association Festival of Media Arts. Johanna Rojas was named best anchor.

"Turning to Intercollegiate Athletics.

"The Penn State Lady Lions claimed their third consecutive Big Ten regular-season championship with a win over Michigan last Saturday. It was the first time that the Lady Lions have won three consecutive regular-season conference championships. The Lady Lions also earned the top seed in the 2014 Big Ten Tournament. The Penn State Women's Track & Field team captured the Big Ten Indoor Championship, beating Michigan in the last event of the day—the 4x400 relay. The women will head to the NCAA Indoor Championships next weekend. Our wrestling team is the 2014 Big Ten regular season co-champion, and this weekend our wrestlers are making a run at the fourth-straight Big Ten title. They're also in contention for another national title in two weeks, so stay tuned. Several other spring sports teams are also ranked among the top teams nationally. While I often recount the team accomplishments of our student-athletes, I wish to share a compelling story of a different kind.

"When the mother of a Penn State lacrosse player needed a bone marrow transplant, the men's hockey team volunteered to get tested in the national "Be a Match" program to see if a match could be found. Assistant captain David Glen wasn't a match for his friend's mother, but he was a match for a stranger undergoing cancer treatments. Although the procedure and recovery take 7-10 days and can result in deep bone pain, fatigue and headaches, David readily volunteered for the blood stem cell donation. Although he missed part of the hockey season, he's back on the ice with his team. He commented that it was well worth the sacrifice to give someone a second chance. He said, "I'm just excited to have had the opportunity and be able to help someone out."

"We're counting down to the official closing celebration of *For the Future: The Campaign for Penn State Students*, a weekend-long event that will begin on Friday, April 11, and continue through the Blue-White game and a spectacular Saturday evening at Eisenhower Auditorium. Our development team has planned an exciting range of activities for our most generous donors and volunteers, from a photo safari highlighting the importance of philanthropy across the University to tours of the Children's Garden of the Arboretum at Penn State, the Steve Jones Student Broadcasting Complex, and other facilities made possible through private gifts. The Eisenhower Auditorium event will showcase the campaign's impact and offer stories, songs, and a few surprises, and it will culminate in an announcement you won't want to miss. I hope that you will be able to join us for this historic celebration so that our students and our campaign leaders can express their thanks in person for all of your support.

"Finally, a few words about THON 2014 and a new record--\$13.3 million for the Four Diamonds Fund at Penn State Hershey Children's Hospital. Although much of the attention is focused on THON weekend, the effort is year-round, and it goes well beyond University Park. More than 100 schools and 20,000 students participate in the Mini-THON program, and to date they have raised more than \$10 million *For the Kids*. Penn State's Commonwealth Campuses and the World Campus also contribute generously and fully participate. This is a wonderful example of how Penn State is one university, geographically dispersed, and all working together for the kids. THON has always received excellent press coverage throughout the region, and this year, Penn State broke onto the national television news scene. Penn State students appeared on *Good Morning America* and *ABC World News*. I'll end with a short clip. [Video]

"That concludes my remarks. Now I'll be happy to take your questions."

There were no questions asked.

### **Public Comment**

Seven speakers were present to share their views and visions for the enhancement of Penn State:

Ceil Masella, an alumna of the University, addressed the impact of Board decision-making and actions that might be taken to assist alumni in moving forward.

Larry Bankart, President of Success with Honor, and an alumnus of the University, spoke to raise awareness about the Penn State Alumni Network of Charities.

Cheryl Fleagle, spouse of a University alumnus, spoke about truth, unity, the Paterno legacy, and direction of the Board.

Daniel Wallace, an alumnus of the University, addressed proposed revisions to the structure of the Board, and increased transparency of the processes used for the selection of members of the Board, and the appropriate recognition by the Board of Joseph Paterno's contributions to the University.

Joe Lally, an alumnus of the University, expressed his pride in the student body, the inaccuracies of the Freeh Report, encouraged Board members to join the Paterno law suit, and called for enhanced leadership.

Evan Smith, an alumnus of the University, spoke about the negative, public perception of Penn State and the necessity of the Board to become more transparent in order to change this perception.

Thomas Hollander, co-founder of Upward State and an alumnus of the University, spoke about positive steps the University has taken in the aftermath of turbulence surrounding the issue of child abuse, gratitude for Rodney Erickson's leadership and the necessity to focus on the future.

### **Update on The Milton S. Hershey Medical Center**

Harold L. Paz, M.D., Senior Vice President for Health Affairs, Dean, College of Medicine, and Chief Executive Officer, the Penn State Milton S. Hershey Medical Center, provided an update on the growth of the medical center, advances in research and education, and outreach programs. [Video shown]

### **Reports from Standing Committees**

Chairman Masser advised that standing Committees met in public session on Thursday, March 6, 2014, to consider any information or action items to come before the board today. Any action item considered and voted on in the Committee was included in reports by the respective Committee chairs. The full Board was asked to consider committee recommendations at the conclusion of each report.

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

The Committee received the following items for information:

1. Information on Undergraduate Programs
  - a) General Music and Music Technology in the Bachelor of Arts in Music in the College of Arts and Architecture: New Options
  - b) Print Journalism option to Digital and Print Journalism option and Visual Communication option to Photojournalism option in the Bachelor of Arts in Journalism in the College of Communications: Name Change
  - c) Associate in Science in Workforce Education and Development in the College of Education: New Degree
  - d) Bachelor of Science in Bioengineering to Bachelor of Science in Biomedical Engineering and the following options: Mechanical Engineering to Biomechanics, Chemical Engineering to Biochemical, Electrical Engineering to Medical Imaging



- and Devices, and Materials Sciences to Biomaterials in the College of Engineering: Name Change
  - e) Bioengineering Minor to the Biomedical Engineering Minor in the College of Engineering: Name Change
  - f) Bachelor of Science in Hotel, Restaurant, and Institutional Management to Bachelor of Science in Hospitality Management and option Name Change from Hotel, Restaurant, and Institutional Management to Hospitality Management in the College of Health and Human Development: Name Changes
  - g) Bachelor of Arts in International Politics and Master of Arts in International Affairs in the College of the Liberal Arts: New Integrated Undergraduate/Graduate Program
  - h) Bachelor of Arts in Political Science and Master of Arts in International Affairs in the College of the Liberal Arts: New Integrated Undergraduate/Graduate Program
  - i) Bachelor of Science in Business, Liberal Arts, and Science at Penn State Erie, The Behrend College: Phase Out Program
2. Information on Graduate Programs
- a) Master of International Affairs (M.I.A.) in International Affairs with Bachelor of Arts (B.A.) in International Politics: New Integrated Undergraduate/Graduate Program
  - b) Master of International Affairs (M.I.A.) in International Affairs with Bachelor of Arts (B.A.) in Political Science: New Integrated Undergraduate/Graduate Program

Chair Jim Broadhurst reported that the Committee met in public session, Thursday, March 6, and received two very informative presentations. Dr. Daad Rizk, Financial Literacy Coordinator, Outreach and Online Education; undergraduate student and Chair of Student Life for the University Park Undergraduate Association, Anand Ganjam; and Business Liaison Librarian for the Schreyer Business Library, Lauren Reiter, shared information about the Student Financial Education Center, which provides student-to-student financial educational resources and presentations. This Center is a partnership between the University Park Undergraduate Association, Outreach, and the University Libraries.

The Committee also received reports on learning assessment at Penn State. Dr. Tanya Furman, Professor and Associate Vice President and Associate Dean for Undergraduate Education, provided results for the ALEKS Math Assessment. Dr. Furman was joined by Suzanne Weinstein, Director of Instructional Consulting, Assessment, and Research, Schreyer Institute for Teaching Excellence, and together, they provided an overview of Learning Outcomes Assessment for Baccalaureate Programs.

There were no actionable items presented to the Board.

**B. Committee on Audit and Risk**

Chair Karen Peetz reported that the Committee last met publicly on January 30, and received their matrix of roles and responsibilities for fiscal year ending June 30, 2014. The Committee also discussed the upcoming self-assessment process. A report was provided to the Committee by Kevin Morooney, Vice Provost for Information Technology Services, which focused on the characteristics of the IT landscape at Penn State, and infrastructure and security.

The Committee reviewed the annual engagement letter and scope of audit with Deloitte, and approved the engagement of Deloitte for the audit of accounts for the year ending June 30, 2014.

The Committee on Audit and Risk recommended that the Board of Trustees approve the following resolution:

1. 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, 2014.

**C. Committee on Compensation**

Chair Linda Strumpf reported that since its last meeting in January, the Committee has met twice. On February 17, Vice Chair Kathy Casey chaired a special meeting of the Committee for the sole purpose of reviewing the terms of the Presidential appointment for incoming President Eric Barron. The Committee then met yesterday to define a preliminary meeting calendar for 2014-2015, and to receive an update on the Custom Executive Compensation Study as well as an employment agreement analysis and executive benefits. The Committee will continue to have discussions and updates on these two initiatives, and will provide additional details as efforts unfold.

At the Committee's January 16 meeting, it was recommended that the full Board adopt the Executive Compensation Strategy that was discussed and reviewed in Committee, and that draft document was provided to the full Board in the agenda materials for the March meeting.

The Board approved the Executive Compensation Strategy as recommended by the Committee on Compensation.

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

Chair Mark Dambly reported that since the last meeting, the Committee received a review of risk oversight.

David Gray, Senior Vice President for Finance and Business/Treasurer, provided reports on proposed final plans and authorization to award contracts for the Tyson Building HVAC upgrades and roof replacement at University Park; the proposed construction of Building 7 at Knowledge Park, Penn State Erie, The Behrend College; and the proposed sale of laurel haven Property at University Park.

Chair Dambly acknowledged that President Erickson provided a report on the status of the Commonwealth Appropriation Request in his opening remarks.

Gail Hurley, Associate Vice President for Auxiliary and Business Services, provided a report on proposed changes in room and board charges for the 2014 Fall Semester, The Pennsylvania State University.

Ford Stryker, Associate Vice President of the Physical Plant, provided a photo report on selected construction projects, including the Center for Building Energy Science and Engineering, and the Center for Building Energy Education and Innovation, both located at the Philadelphia Navy Yard; Park; renovation and addition, Educational Activities Building, Penn State Harrisburg; Beaver Stadium Videoboards and Sound System, University Park.

The Committee received the following items for information:

1. Mateer Building Café Laura Upgrades, University Park
2. Atherton Hall Bathroom Renovations, University Park
3. Bathgate Swale Rehabilitation, University Park

4. Bryce Jordan Center Roof Replacement and Arena Floor Restoration, University Park
5. Armsby Building Mechanical Improvements, University Park
6. Ground Floor Radiology Fit Out – Phase D, The Milton S. Hershey Medical Center
7. Naming of the Executive Education Center the “Oak Building,” University Park
8. Naming of Rooms, Portions of Buildings, and Plazas
  - a. Name the Old Main lobby and mezzanine space, Land-Grant Foyer.
  - b. Place a plaque in the Land-Grant Foyer (Old Main Lobby) to recognize the philanthropy from the estate of L. James Schmauch that funded the conservation of the Land-Grant Frescoes and the restoration of the lobby area. The recognition plaque will read: *The Penn State Land-Grant Frescoes conserved through the philanthropy of L. James Schmauch '36 | Completed in 2014, conservation of the frescoes and restoration of the Land-Grant Foyer in Old Main were made possible by an estate gift from L. James Schmauch. Mr. Schmauch earned a bachelor of science degree in chemistry and went on to a career as a researcher in the petroleum industry. | Through his generosity, an important part of Penn State history has been preserved for future generations.*
  - c. Revise the name and plaque of the Casting Room (Room 109C), Lasch Football Building, named in December 2012 by Charles and Roberta Gatski that has been changed to a Student Education Room. The revised plaque will read: *Charles P. and Roberta A. Gatski Student Education Room*
  - d. Name the Retail Shop, Pegula Ice Arena, in recognition of a commitment from Bruce and Deborah Hershock. The recognition plaque should read: *Bruce and Debbie Hershock and Family Retail Shop*
  - e. Name a new monument on the Behrend campus in honor of Mary Behrend who donated her 400 acre estate to Penn State to provide a permanent location to offer academic programs. The recognition plaque will read: *Mary Behrend Monument Walk*
  - f. Name the Wellness Center addition to the gymnasium at Penn State Beaver in honor of Chancellor Gary B. Keefer who will retire after 17 years in his leadership role. The recognition plaque will read: *Gary B. Keefer Wellness Center*

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

1. RESOLVED, That the proposal to extend the current lease in 101 Innovation Boulevard with PSRP Developers, Inc., totaling 4,400 square feet at a current annual cost of \$112,860, until March 31, 2020, is approved.

*[Trustee Ira Lubert recused himself from the discussion and approval of the resolution listed above]*

2. RESOLVED, That the conditions governing certain existing scholarships, fellowships, awards, and similar funds previously established at the University be revoked and that the Officers of the

University are authorized to put into effect the revised regulations as requested by the donors.

3. RESOLVED, That the Board of Trustees gratefully acknowledges the generous contributions of the many friends of the University in support of endowments, funds, and other major commitments as reported to the Committee on Finance, Business and Capital Planning at its meeting of March 6, 2014.

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.

4. RESOLVED, That the final plans for the Tyson Building HVAC Upgrades, as designed by the firm of Barton Associates, Inc. of State College, Pennsylvania, and Roof Replacement, as designed by John Lew Architects, LLC of State College, at University Park, are approved.

FURTHER BE IT RESOLVED, That authorization to award contracts to accomplish the project be approved in the amount of \$5,200,000.

5. RESOLVED, That the Board of Trustees approves, consistent with the Development and Management Agreement between the University and the Greater Erie Industrial Development Corporation, proceeding with construction of a building at Knowledge Park, Penn State Erie, The Behrend College;

BE IT FURTHER RESOLVED, That the building, currently named Building 7, will be a shared facility between Behrend's School of Engineering and industrial tenants;

BE IT FURTHER RESOLVED, That the building will be constructed at a cost not-to-exceed \$15,269,100, with the University's cost for its share of the building construction and fit-out being \$9,455,917 and the industrial tenant portion of the building construction and fit-out costing \$5,813,183;

BE IT FURTHER RESOLVED, That the Board of Trustees approves the purchase of furniture, fixtures and equipment with a cost of \$1,194,812 which, when added to the University's cost of \$9,455,917 for its portion of the building, results in a total University project cost of \$10,650,729; and

BE IT FURTHER RESOLVED, That the cost of building construction and building fit-out for the industrial tenant portion will be guaranteed by the University, consistent with the Development and Management Agreement between the University and the Greater Erie Industrial Development Corporation.

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

6. RESOLVED, That the Board of Trustees approves the sale of 49 acre Laurel Haven property along Beaver Road, Julian, Huston Township, Centre County, Pennsylvania, to Kevin S. and Margaret C. Brant in the amount of \$350,000.

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

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

[Appendix I]

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

Chair Keith Eckel reported that the Committee met on Thursday, March 6. Chair Eckel noted that there are two action items on today's Board agenda for consideration. The first item clarifies the qualifications of electors for nomination and election for alumni to the Board, to expand the mailing of ballots to all alumni with an e-mail address on file in the University's alumni records. The second item modifies and clarifies the type of real estate and other capital transactions to be brought before the Board. Both of these items have been approved in Committee.

During the meeting on Thursday, the Committee discussed the Trustee seat on the Board. Although Penn State students have had a seat on the Board for decades via a gubernatorial appointment, the tradition has never been formally codified. The term of the current Student Trustee, Peter Khoury, will soon expire, and if a successor is not named and confirmed by the Pennsylvania Senate prior to the July Board meeting, there will be no student on the Board at a time when the 2014-2015 budget and tuition rates will be approved for the academic year; this is a matter critical to the student body, and the Committee feels strongly that a Student Trustee should be present for such review and approval.

Chair Eckel's additional remarks on this topic are included as follows:

"Accordingly, after discussion with the Governor's office and our student leaders, Chairman Masser requested that the Governance and Long-Range Planning Committee consider a proposal from our student leaders to create a permanent Trustee seat for a student.

"This proposal is out of sequence since we are in the process of reviewing and considering other potential governance reforms, including with respect to the size, composition, method of selection, and qualifications of the Board and its members. We are not pre-judging the outcome of that review, but we considered and voted on this proposal in Committee as a "Plan B" in the event that the historic practice of selecting and placing a student on the Board cannot be accomplished in a timely manner.

"If the Governor's appointment and Senate confirmation do occur on a timely basis, that is, in time for Trustee Khoury's successor to be in place in time for the July meeting, our tentative plan would be to defer any action on this proposal and include it with any other governance reform measures as this Committee may recommend.

"In summary, the application and vetting process, which must occur under either selection scenario, is ongoing. If the historical practice of nominating and confirming a student Trustee can be accomplished in a timely

way, we will continue with that practice and defer taking this proposal to the full Board in May. If not, the Committee has approved proposed amendments, by a vote of 8 to 1, so that this can go forward in May for full Board consideration, so that we can have an acting student sitting on the Board of Trustees when we make those key votes in July. I would note that it was requested that we have a roll call recorded vote, and I would report that in the spirit of that, that those voting in favor of this recommendation were Trustees Broadhurst, Arnelle, Alexander, Shaffer, Dandrea, Doran, Chair Masser, and myself. Voting 'no,' was Trustee Lubrano. This will be published and provided in a timely manner for review by the full Board of Trustees in May. And if in fact, the Governor and Senate have not acted in a timely manner, then we will move forward on this. If indeed they have, we in fact will hold this as part of our full report."

Chair Eckel then reported that the Committee also met on Thursday with governance consultant, Holly Gregory to assist in the evaluation and discussion of ongoing governance issues. The Committee will likely expand the length of its meeting in May to allow for greater discussion related to Board size, composition, selection, and operation. The Committee hopes to present a recommendation to the Board for discussion by the July or September 2014 meeting.

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

1. RESOLVED, That the *Charter* of The Pennsylvania State University be amended as set forth in the appendix and presented at the meeting on March 7, 2014.

[Appendix II]

2. RESOLVED, That the *Bylaws* of The Pennsylvania State University be amended as set forth in the appendix and presented at the meeting on March 7, 2014.

[Appendix III]

#### **F. Committee on Legal and Compliance**

Chair Ira Lubert indicated that the Committee met on Thursday, March 6, and received reports from Regis Becker, Director of Ethics and Compliance, and Julie DelGiorno, Athletics Integrity Officer for the University. Mr. Becker provided both a compliance update, and a status report on several projects. Chair Lubert reported that the Ethics and Compliance website has been created and can be found at [www.universityethics.psu.edu](http://www.universityethics.psu.edu). Ms. DelGiorno provided an update on the Athletics Integrity Agreement to the committee, and spoke of collaborative meetings within the Big 10 organization.

There were no actionable items presented to the Board.

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

Chair Myers reported that the Committee met on Thursday and received informational updates from Fred Volkmann, Interim Vice President for Strategic Communications. Cindy Hall, Director of Marketing and Associate Vice President of Strategic Communications provided a report on brand integration of *Penn State Lives Here*, and Mike Bezilla, Director of Research Communications, reported on the progress of research and scholarship communications from the University. Mike DiRaimo, Special Assistant the President, provided an overview of the Governor's proposal for higher education, and Craig Weidemann, Vice President for Outreach and Vice Provost for Online Education, provided an update on outreach and online education.

The Committee received a report on the 2013 Alumni Survey, including methodology and some result highlights. The full report can be found by visiting the following website: [http://alumni.psu.edu/about\\_us/research-and-reports](http://alumni.psu.edu/about_us/research-and-reports). Kay Salvino, President of the Alumni Association, provided an update, and likewise Rod Kirsch, Senior Vice President for Development and Alumni Relations, provided an update on Development.

There were no actionable items presented to the Board.

### **Report on The Corporation for Penn State**

A report on the activities of The Corporation for Penn State was included with the meeting *Agenda*.

### **Election of Directors of The Corporation for Penn State**

The Board of Trustees adopted the following resolution:

RESOLVED, That the following persons be elected to the Board of Directors of The Corporation for Penn State:

Marianne E. Alexander  
James S. Broadhurst  
Mark H. Dambly  
Keith W. Eckel  
Rodney A. Erickson  
David J. Gray

Edward R. Hintz, Jr.  
Nicholas P. Jones  
Keith E. Masser  
Harold L. Paz  
Paul H. Silvis  
Linda B. Strumpf

Chairman Masser made congratulated Trustees Broadhurst and Lubert on recent professional recognitions.

Trustee Alvin Clemens requested a point of personal privilege. Mr. Clemens spoke about decisions made by the Board in November 2011, his desire for due process, and for the Board to take actions that will heal the chasm that exists between the University and alumni. Trustee Clemens will step down from his position on the Board.

There were no other matters presented to the Board. The meeting adjourned at 4:12 p.m.

The meeting is available in its entirety at [http:// www.youtube.com/watch?v=ct7yEmOIQTw](http://www.youtube.com/watch?v=ct7yEmOIQTw).

Respectfully submitted,

Janine S. Andrews  
Associate Secretary  
Board of Trustees

## **2014–2015**

### **Room and Board Rate Proposal Housing and Food Services *The Pennsylvania State University***

- Housing Capacities Fall 2014
- Academic Year Occupancy Percentages
- 2013–2014 Comparison Room and Board Rates
- Budget Planning Factors for 2014–2015
- Expense Increases for 2014–2015
- Double Room and Meal Plan 3 Rate 2008–2015
- Proposed Room and Board Rates 2014–2015



## Housing Capacities Fall 2014

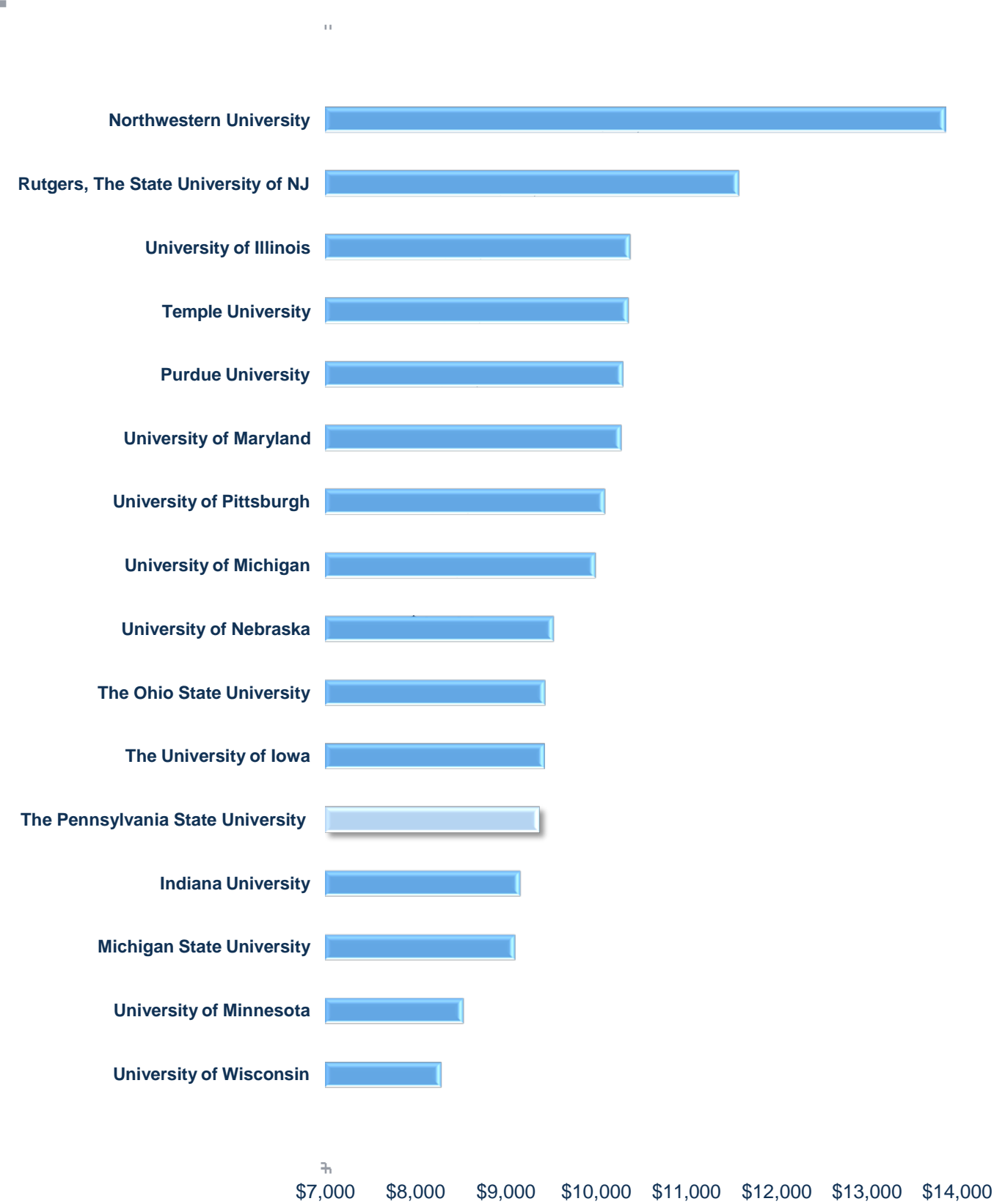
	Undergraduate Halls	Single Student Apts.	Subtotal	University Apts.	Total
<b>University Park</b>	13,062	300	13,362	124	13,486
<b>Altoona</b>	901		901		901
<b>Beaver</b>	211		211		211
<b>Berks</b>	805		805		805
<b>Erie</b>	1,368	283	1,651		1,651
<b>Greater Allegheny</b>	210		210		210
<b>Harrisburg</b>	99	332	431		431
<b>Hazleton</b>	455		455		455
<b>Mont Alto</b>	438		438		438
<b>TOTAL</b>	<b>17,549</b>	<b>915</b>	<b>18,464</b>	<b>124</b>	<b>18,588</b>

## Academic Year Occupancy Percentages

	09–10	10–11	11–12	12–13	13–14 est.
<b>University Park</b>					
Single Student Housing	103.3	103.0	102.3	103.3	102.0
Apartments	97.4	95.2	97.0	85.4	85.0
<b>Altoona</b>	98.8	98.7	100.5	100.2	98.0
<b>Beaver</b>	80.8	82.0	89.5	74.3	70.0
<b>Berks</b>	99.6	99.2	99.4	97.3	95.0
<b>Erie</b>	100.3	99.7	98.5	99.1	98.0
<b>Greater Allegheny</b>	95.1	93.7	91.0	79.0	70.0
<b>Harrisburg</b>	99.2	98.9	98.7	96.7	96.0
<b>Hazleton</b>	101.8	100.5	100.7	99.0	95.0
<b>Mont Alto</b>	95.3	95.0	87.9	70.4	60.0

# 2013–2014 Comparison Room and Board Rates

## Double Room and Board



## Budget Planning Factors for 2014–2015

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. State funds are not used for construction, maintenance of facilities, or the operations of the housing and dining program.

The room and board rates proposed for 2014–2015 will meet the operating needs of our multi-campus residential program, provide for the necessary maintenance of our facilities, continue the major renewal plan begun with the renovation of North and South Halls, and support the strategic direction for Abington and Brandywine.

### **EXPENSES**

#### **Food Costs**

Food costs for 2014-2015 are expected to increase by 2.3 percent. This increase reflects cost reduction strategies that incorporate additional contracts for direct manufacturer purchases, product testing results, the backhaul program, and monetary rebates.

#### **Salaries and Wages**

Monies are included for anticipated inflationary increases for staff and technical service employees. Additional funds are needed to meet the requirements outlined in the Affordable Care Act.

#### **Utilities and Other Operating Expenses**

Utility rates are expected to rise by 3.75 percent in the aggregate. A 2.5 percent increase is planned for each of the following areas: maintenance, supplies, and services.

#### **Residence Life**

The Office of Residence Life is requesting that the counseling fee be increased by 4.85 percent, from \$288.50 to \$302.50 per student per semester. This increase will generate an additional \$427,000 to compensate for increases in operating costs, anticipated salary and employee benefit increases, and room and board for resident assistants at all campuses.

### **OVERHEAD EXPENSES**

#### **Housing and Food Services Administration and Support Services**

Administration and support services are provided with an allocation of \$2,200,000.

#### **University Overhead**

The budget provides \$7,595,000 for University administrative costs. Housing and Food Services pays a percentage of gross revenue to the University for central support. This rate is 4 percent for 2014–2015.

## **PROPERTY EXPENSES**

### **Debt Service**

The annual debt service for 2014–2015 will be \$29,992,000.

### **Deferred Maintenance and Facility Renewal**

In total, this budget provides \$34,674,000 for facility renewal, deferred maintenance, emergency reserves, and strategic new construction for housing and foods facilities across the commonwealth.

For on-campus living to remain attractive to potential and returning students, especially with the proliferation of off-campus apartments, we need to ensure that our residence halls and dining facilities meet the standards of quality that students and their families expect.

Housing and Food Services has made significant progress on projects such as wireless capability and surveillance equipment. Based on board approval in March 2013, we are moving ahead with master planning and phasing schedules, feasibility studies, and cost estimating to further the plans for new construction at the Abington, Behrend, and Brandywine campuses and renovations for East and Pollock Halls at University Park.

## **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 4.27 percent more for room and board in 2014–2015. The recommended rate increases for housing, food services, and conferences at Penn State University Park and the campuses will generate the required \$8,109,000 in additional income.

## Expense Increases for 2014–2015

	<u>2013–2014</u> <u>% of Budget</u>	<u>2014–2015</u> <u>% of Budget</u>	<u>2013–2014</u> <u>Budget</u>	<u>2014–2015</u> <u>Increase</u>	<u>2014–2015</u> <u>Proposed</u>
<b>Food Costs</b>	14.2%	13.9%	\$27,094,000	\$623,000	\$27,717,000
<b>Payroll &amp; Related</b>	24.7%	24.3%	47,240,000	1,262,000	48,502,000
<b>Utilities</b>	9.4%	9.4%	17,977,000	675,000	18,652,000
<b>Other Operating Expenses</b>	15.2%	15.0%	29,124,000	906,000	30,030,000
<b>HFS Admin. &amp; Support</b>	1.1%	1.1%	2,135,000	65,000	2,200,000
<b>University Overhead</b>	3.8%	3.8%	7,374,000	221,000	7,595,000
<b>Property</b>	31.6%	32.5%	60,424,000	4,357,000	64,781,000
<b>TOTAL EXPENSE</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$191,368,000</b>	<b>\$8,109,000</b>	<b>\$199,477,000</b>

## Double Room and Meal Plan 3 Rate 2008–2015

<b>Year</b>	<b>Semester Rate</b>	<b>Semester Increase</b>	<b>Percent Increase</b>
<b>2008–09</b>	\$3,835	\$245	6.82%
<b>2009–10</b>	\$4,085	\$250	6.52%
<b>2010–11</b>	\$4,185	\$100	2.45%
<b>2011–12</b>	\$4,370	\$185	4.42%
<b>2012–13</b>	\$4,495	\$125	2.86%
<b>2013–14</b>	\$4,685	\$190	4.23%
<b>2014–15</b>	\$4,885	\$200	4.27%

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	\$ 932	\$ 32 less
2 Bedroom	\$ 1,110	\$ 50 less
3 Bedroom	\$ 1,457	\$ 263 less
4 Bedroom	\$ 2,890	\$ 770 less

University Manor (Proposed Rates as of July 1, 2014):

	<u>Proposed Rates</u>
1 Bedroom	\$ 900
2 Bedroom	\$ 1,060
3 Bedroom	\$ 1,194
4 Bedroom	\$ 2,120

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4 Bedroom	\$ 2,120

Below is a draft of proposed amendments to the *Charter* as approved by the Governance and Long Range Planning Committee at its meeting on Thursday, January 16, 2014. These amendments will be recommended for approval at the March Board meeting.

The amendments to the *Charter* are generally described as follows:

1. "Qualifications of Electors" (Page C-3) has been amended to clarify the qualifications of electors for the nomination and election for alumni to the Board. The modification allows that all qualified electors with a valid e-mail address on file in the University's alumni records will receive a ballot, rather than the existing practice of requiring qualified individuals to request a ballot.

## QUALIFICATIONS OF ELECTORS

### (1) Alumni

- (a) All graduates who have received a first or bachelor's degree or an advanced degree from the University, and former students (limited to those persons who have satisfactorily passed one semester's or two terms' work, or more, in any of the University courses program which requiresing two years, or more, for completion and which results in a degree) shall be eligible to vote for alumni trustees, at the election next following the year of their graduation or the year following that in which they were no longer in attendance at the University, subject, however, to the procedure next stated. (Decree of the Court of Common Pleas of Centre County, April 25, 1892, No. 166, April Term, 1892; Decree of the Court of Common Pleas of Centre County, February 28, 1958, No. 211, February Term, 1958; Decree of the Court of Common Pleas of Centre County, No. 192, October Term, 1962; Resolution of the Board of Trustees, \_\_\_\_\_, 2014)
- (b) Procedure in Conducting Nominations and Elections: Ballots for the nomination and election of alumni to the Board of Trustees of the University shall be sent electronically only to:
  - (i) Electors (qualified as above set forth) who have a valid email address on file in the University's alumni records as of the date of distribution of such ballots , within two years prior to March 1 of each year, been either active members of the Penn State Alumni Association or contributors to the University, or
  - (ii) Electors who make individual request, in writing to the University, that such ballots be furnished to them. (Decree of the Court of Common Pleas of Centre County, February 28, 1958, No. 211, February Term, 1958; Resolution of the Board of Trustees, May 3, 2013; Resolution of the Board of Trustees, \_\_\_\_\_, 2014)



On the following pages is a draft of proposed amendments to the *Bylaws* as approved by the Governance and Long Range Planning Committee at its meeting on Thursday, January 16, 2014. These amendments will be recommended for approval at the March Board meeting.

The amendments to the *Bylaws* are generally described as follows:

1. Section 5.09(a)(iii) and 5.09(b)(iv) have been revised to modify and clarify the types of real estate transactions and other capital transactions to be brought to the Board for approval and for informational purposes.
2. Section 5.09(a)(iv) has been revised to reflect editorial revisions.

transactions; and (i) to exercise all powers and duties incident to the office of Treasurer; and such further duties from time to time as may be prescribed in these Bylaws or by the Board of Trustees or the President. The assistant treasurers shall assist the Treasurer in the performance of his or her duties and shall also exercise such further powers and duties as from time to time may be prescribed by the Board of Trustees, the President or the Treasurer. At the direction of the Treasurer or in his absence or disability, an assistant treasurer shall exercise the powers and duties of the Treasurer.

**Section 5.08 Vacancies.** Any vacancy in any office or position by reason of death, resignation, removal, disqualification, disability or other cause shall be filled in the manner provided in this Article V for regular election or appointment to such office.

**Section 5.09 Delegation of Duties.** The Board of Trustees may in its discretion delegate for the time being the powers and duties, or any of them, of any officer to any other person whom it may select. Upon authorization by the Board of Trustees, an officer may delegate performance of specific duties to employees and agents of the University.

(a) Notwithstanding the foregoing, the following matters shall require the approval of the Board of Trustees:

(i) Basic University Organization and Policy

(1) Amendments to the Charter, Bylaws and Standing Orders;

(2) All reports of standing or special committees of the University's

Board of Trustees;

(3) All major modifications of educational policy;

(4) Authorization to grant degrees to graduates;

(5) The determination of the major goals of the University, including the establishment and review of long-range plans for the educational, financial and physical development of the University; and

(6) University intellectual property policy.

(ii) Fiscal Matters

(1) Establishment of, or changes in existing, major University fiscal policies;

(2) Annual operating budgets and changes in the approved totals, state appropriation requests, and appropriation of building funds unappropriated;

(3) Acceptance of gifts, bequests, grants, fellowships, scholarships, loan funds that are not in accord with established policy;

(4) Establishment of, or changes in, fees including tuition, room and board;

(5) Authorization to borrow money; authorization of persons to sign checks, contracts, legal documents, and other obligations, and to endorse, sell, or assign securities; and

(6) Selection of a firm to make annual audit of University accounts.

(iii) ~~Physieal Plant~~ Capital Projects

(1) Establishment of, or changes in existing policies, on matters such as selection of architects, naming of buildings and roads, preservation of campus landmarks;

(2) Purchase of land and other real estate with a purchase price of \$1 million or more;

~~(3)~~ ~~(2) Approval of the purchase or sale~~ Sale of land and other real estate ~~with a value of over \$1 million~~, with the exception of the sale of land and other real estate ~~up to~~ with a sale price of less than \$3 million ~~in value~~ gifted to the University for the express purpose of sale with proceeds benefitting the University;

~~(4)~~ ~~(3) Approval of specific~~ Honorific names for individual buildings and roads;

~~(4)~~ ~~Design plans for buildings and facilities to be constructed or significant alteration to existing buildings, with the exception of temporary buildings or buildings under \$5 million in cost; provided that review and approval may be requested by the administration in lieu of presentation as an information item for projects of a special nature that fall below the \$5 million level;~~

~~(5)~~ Any new construction or renovation project for which the total project cost is \$5 million or more, including

(A) Total project cost; provided, however, that the Officers of the University shall have the discretion to expend up to an additional 10 percent of the approved total project cost, as necessary;

(B) Appointment of architects, unless such project is funded in whole or in part with Commonwealth funds or designed by University employees;

(C) Design; and

(D) Awarding of contracts for construction;

~~(6)~~ ~~(5) Projects under \$5 million in cost that are bond-financed; and~~

~~(6) Approval to award contracts for construction; provided, however, that the Officers of the University shall have the discretion to expend up to an additional 10 percent of the authorized construction cost, as necessary; and~~

~~(7) Appointment of architect for construction of major projects. Other capital expenditures of \$5 million or more;~~

(iv) Personnel Matters.

(1) ~~The selection~~Selection, evaluation, compensation and removal of the President of the University, in accordance with policies and procedures adopted by the Board of Trustees from time to time. This responsibility includes a commitment to grant the President broad delegated authority, to support the President in his/her exercise of such authority, to judge the performance of the President, and if necessary, to remove the President. In the selection of a President, the Board shall consult with representatives of the faculty and the student body.

(2) ~~The establishment~~Establishment of and any changes to the University's executive compensation philosophy.

(3) ~~The establishment~~Establishment of and any changes to the employment terms and conditions of the President of the University.

the  
(4) ~~The appointment~~Appointment of Vice Presidents and Deans and appointment and removal of the Vice President and General Counsel.

(v) Miscellaneous

(1) Selection of the recipients of Distinguished Alumni Awards, honorary degrees and the Penn State Medal; and



(2) Selection of specific dates for regular meetings of the Board of Trustees.

(b) The delegation of authority set forth in this Section 5.09 requires that the Board of Trustees rely on the judgment and decisions of those who operate under its authority. However, this reliance of the Board of Trustees must be based upon its continuing awareness of the operations of the University. Therefore, the Board of Trustees shall receive and consider thorough and forthright reports on the affairs of the University by the President or those designated by the President. The Board of Trustees has a continuing obligation to require information or answers on any University matter with which it is concerned. In addition to such matters as the President of the University may determine, or as requested by the Chair of the Board of Trustees, the following matters shall be presented to the Board of Trustees for information:

(i) Basic University Organization and Policy

- (1) New curricula and major changes in existing curricula;
- (2) Major policy matters affecting student welfare and activities; and
- (3) Major policy matters affecting research.

(ii) Fiscal Matters

- (1) Financial statements, and gifts, bequests, grants, fellowship, scholarships, loan funds that are in accord with established policy; and
- (2) The University's annual reports filed under the Clery Act and the Pennsylvania Right to Know Act.

(iii) Personnel Matters

(1) Policies. New policies or changes in existing policies governing appointments, promotions in academic rank, leaves of absence, resignations, retirements, academic freedom and tenure, hours and conditions of employment, and fringe benefits; and

(2) Executive Compensation. Information regarding

i. the evaluation and compensation of University executives (other than the President of the University), in accordance with policies and procedures recommended by the committee on compensation from time to time.

ii. The establishment of and any changes to executive compensation and benefit programs and policies.

iii. Information regarding the removal of Vice Presidents and Deans.

(iv) ~~Physieal Plant~~Capital Projects

(1) New construction or renovations projects with a total project cost ~~between \$1,000,000 and \$4,999,999~~equal to or greater than \$1 million but less than \$5 million;

(2) ~~Naming~~Generic naming of individual buildings and roads and  
honorific naming of rooms, portions of buildings, and plazas;

(3) ~~Real~~Purchase of real estate ~~purchases~~with a purchase price of less than \$1 million ~~in value;~~

(4) Proceeds from the sale of land and other real estate with a sale  
price of less than \$3 million gifted to the University for the express purpose of sale;

(5) Capital budget request submitted to the Commonwealth of Pennsylvania and

(6) Reports (including photographs) on the progress of new construction or renovation projects with a total project cost of \$5 million or more.

(c) Board of Trustees Delegation of Authority to Certain University

Administrative Officers.

(i) The President, Vice President, Secretary, Treasurer, Assistant Treasurer, Senior Vice President for Finance and Business, and Corporate Controller of the University, or any one of such officers be and they are hereby fully authorized and empowered on behalf of the University to execute and acknowledge all deeds, agreements and contracts, and to transfer and endorse, sell, assign, set over and deliver any and all shares of stock, bonds, debentures, notes, evidences of indebtedness or other securities now or hereafter standing in the name of or owned by this University, and to make, execute, acknowledge, and deliver, under the corporate seal of this University, any and all written instruments necessary or proper to effectuate the authority hereby conferred.

(ii) The Treasurer, or in the absence of the Treasurer, the Senior Vice President for Finance and Business, may delegate in writing to such employees of the University as they may deem appropriate, the authority to execute and acknowledge on behalf of the University standardized agreements and contracts for which those employees have administrative responsibility.

(iii) The Executive Director, Office of Investment Management, or in his absence, the Chief Investment Officer, is hereby fully authorized and empowered on behalf of the University to transfer and endorse, sell, assign, set over and deliver any and all shares of stock, bonds, debentures, notes or other securities now or hereafter standing in the name of or owned by this University, and to make, execute, acknowledge, and



deliver, under the corporate seal of this University, any and all written instruments necessary or proper to effectuate the authority hereby conferred.

(iv) The Associate Vice President for Finance and Business and Controller, or, in his or her absence, the Associate Controller, be and they are hereby fully authorized and empowered on behalf of the University to execute and acknowledge all agreements and contracts related to the affairs of the College of Medicine.

(v) The Associate Secretary and Assistant Secretary of this University, or any one of such officers, be and they are hereby fully authorized and empowered on behalf of this University to make, execute, acknowledge, and deliver, under the corporate seal of this University, any and all written instruments necessary or proper to effectuate the authority hereby conferred.

## **ARTICLE VI**

### **MISCELLANEOUS CORPORATE TRANSACTIONS AND DOCUMENTS**

#### **Section 6.01 Execution of Notes, Checks, Contracts and Other**

**Instruments.** All notes, bonds, drafts, acceptances, checks, endorsements (other than for deposit), guarantees and all evidences of indebtedness of the University whatsoever, and all deeds, mortgages, contracts and other instruments requiring execution by the University, may be signed by the Chair, the President, any Vice President or the Treasurer, and authority to sign any of the foregoing, which may be general or confined to specific instances, may be conferred by the Board of Trustees upon any other person or persons. Any person having authority to sign on behalf of the University may delegate, from time to time, by instrument in writing, all or any part of such authority to any other person or persons if authorized to do so by the Board of Trustees,