

PENNS^TATE



Meetings of the Board of Trustees

March 20, 2015

Minutes

**MINUTES OF MEETINGS OF
BOARD OF TRUSTEES
VOLUME 285
TABLE OF CONTENTS**

	<u>PAGES</u>
Board of Trustees	
Public Comment.....	1
President's Report.....	3
Provost's Report.....	3
Reports of the Standing Committees	
A. Committee on Academic Affairs and Student Life.....	4-5
B. Committee on Compensation.....	5
C. Committee on Finance, Business and Capital Planning.....	5-8
D. Committee on Governance and Long-Range Planning.....	8-9
E. Committee on Legal and Compliance.....	9
F. Committee on Outreach, Development and Community Relations.....	9-10
Appendix I.....	11-22
Appendix II.....	23-56
Appendix III.....	57-84
Appendix IV.....	85-93

285-1
MINUTES OF MEETING
BOARD OF TRUSTEES
VOLUME 285
March 20, 2015

A meeting of the Board of Trustees was held in the Nigerian Room of the Hershey Lodge, Hershey, PA, at 1:30 p.m. on March 20, 2015.

The following Trustees were present: Masser (chairman), Casey (vice chairman), Barron, Benson, Brown, Dambly, Dandrea, Doran, Dunn, Eckel, Goldstein, Harpster, Hintz, Huber, Jubelirer, Lubrano, McCombie, Mead, Oldsey, Pope, Rakowich, Redding, Rucci, Shaffer, and Silvis. Emeritus Trustees Jones, Junker, Myers, and Robinson were also present.

Present by invitation were faculty representatives Ansari, Kulikowich, and Strauss; student representatives Ganjam, Rhubart, and Shaffer; representatives Blew, Egolf, McDonald, Salvino, and Warner; and staff members Andrews, Basso, DiRaimo, Dunham, Gray, Guadagnino, Hanes, Hillemeier, Jones, Kirsch, Lokman, Mulroy-Degenhart, Pangborn, Poole, Sharkey, and Weidemann.

It is noted that Vice President for Student Affairs, Damon Sims, presented remarks which focused on the review conducted by the University's Sexual Assault and Sexual Harassment Task Force during a public Trustee Seminar, beginning at 10:15 a.m. in Room T2500 of the Penn State Hershey Medical Center.

An opportunity for public comment was provided on March 20, 2015 during a public session of the Board at 11:00 a.m. in Room T2500 of the Penn State Hershey Medical Center. Eight speakers shared their views:

Barry Fenchak, alumnus
Jeff Goldsmith,
Steve Masters, alumnus
Wendy Silverwood, alumna
Stephen Payne, student
Denise McClelland, alumna
Timothy Rinehart, student
Melissa McCleery, student

Chairman Masser's opening remarks are included as follows:

"Good afternoon.

"Let me begin by extending my thanks to Craig Hillemeier and his colleagues. Yesterday in several committees, we appreciated the information, presentations, and discussions about all the good work in the Medical Center in College. The significance of the work conducted at Hershey to care for the community while supporting teaching, research, and service is noteworthy and outstanding. It's a testament to the work underway that Governor Wolf named Dr. Rachel Levine, a Penn State Hershey specialist in adolescent, medicine, and eating disorders, as Pennsylvania's Physician General. Please join me in thanking Craig and the students, faculty and staff for their tireless efforts on behalf of all of us.

"Later in the agenda, we will look forward to an informational update from Craig. Let me now welcome our new board members with us today for the first meeting. Before accepting Governor Wolf's invitation to join his Cabinet Secretary of Conservation and

Natural Resources, Cindy Dunn was a former Deputy Secretary of the Department leading the department's conservation landscape program. Secretary Dunn's commitment to community and economic partnerships illustrates the commitment she will bring in leading the department. Welcome, Secretary Dunn.

"Having previously served as Secretary of the Department of Agriculture, and now assuming that post under Governor Wolf, we welcome back Russell Redding to the Board. Secretary Redding's previous leadership combined with his passion for establishing economic development program to expand and grow the Commonwealth's agriculture enterprise display the importance of Pennsylvania's strong agricultural history and promising future. Secretary Redding, welcome back.

"Although Secretary of Education Pedro Rivera is not here, his broad experiences as teacher and administrator reflect his commitment to education. Noteworthy improvements in various measures while leading the School District of Lancaster have been well-documented and now serve as benchmarks in proficiency attainments, as well as innovative teaching methods. We welcome Secretary Rivera to this Board.

"Let me also welcome the Governor's representative to the Board, Secretary of Planning and Policy, John Hanger. Secretary Hanger's record of public service through his prior leadership post in the Commonwealth, as well as his public advocacy efforts highlighting career of dedicated service and engagement, welcome, Secretary Hanger.

"While he is not available to be with us today, Governor Tom Wolf assumed office on January 20th. Governor Wolf's commitment to education and his personal education credentials are noteworthy. Obtaining his undergraduate degree from Dartmouth, his Master's from the University of London, and his Ph.D. from MIT, his work ethic and well-known involvement with his family's business, as well as his service and community orientation are significant and we appreciate the perspective he will bring to his role as Trustee.

"I would like to thank our University Faculty Senate Officers, Chair Jonna Kulikowich, Chair-Elect Mohammad Ansari, and Secretary James Strauss. This is the last meeting for the Senate Officers and 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 the University and for being such valued colleagues. Thank you.

"As our student leaders attend their last board meeting of the year, I would like to call them to the podium for the Board's annual request for remarks and reflections. I'll ask that they now proceed to the podium.

"John Shaffer is President of the Council of Commonwealth Student Governments. Anand Ganjam is President of the University Park Undergraduate Association. And Danielle Rhubarb is the President of the Graduate and Professional Student Association."

Each of the student leaders provided outgoing remarks to the Board. For the visual presentation which accompanied the remarks, refer to Appendix I.

[Appendix I]

"Thank you very much Anand, Danielle and John. I also want to thank the UPUA Vice President Emily McDonald. She has worked on our Governance and Long Range Planning Committee and we have greatly appreciated her dedication. I view these students as valued colleagues of the Board, and the engagement, collegiality, dedication of time and energy, on top of their already significant demands, is extraordinary. Please join me in thanking our student leaders and showing them our appreciation.

“What began in 1973, besides me getting my degree from Penn State, in the HUB Ballroom raising over \$2000 has grown to an event stream worldwide and involving 15,000 students. This year THON raised over \$13 million for the Four Diamonds Fund at Penn State Hershey Children's Hospital and we couldn't be more proud of the yearlong student effort. When you see so much hard work, enthusiasm, dedication and compassion, it reinforces the belief that our students can solve the world's toughest problems and transform people's lives. Please join me on the behalf of the board in thanking our students, donors, alumni and friends for another successful year of THON.”

The roll was called by Janine Andrews, Associate Secretary of the Board. Following the roll call, the Board voted to approve the minutes of the meetings of the Board held on January 16, 2015.

President's Report

Dr. Barron continues to look at his six imperatives for higher education, and during this report he covered diversity and demographics. Dr. Barron emphasized the need to focus on diversity for three key reasons: 1) Moral imperative as a public university. 2) Environmental richness imperative. 3) Business model imperative. He then reviewed some important trends. According to the U.S. Census, by 2020, minorities will comprise 40% of the population in the U.S. and 25% in PA. By 2026, about 50% of high school graduates will be white, which is down from 72% in 1996. The bottom line is that Penn State's source of students will be coming from an increasingly diverse population, and that University statistics, combined with population projections, highlight the need for recruitment, retention and the creation of an inclusive environment—for business model, moral imperative and environmental richness. He concluded that we can advance diversity and inclusion by: greater sharing and implementation of best practices; focus on accountability; greater focus on environment and inclusion; and greater emphasis on diversity as a strategic initiative.

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

- World Campus enrollment
- Diversity
- Summer programming

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

[Appendix II]

Provost's Report

In his report, Dr. Nicholas Jones focused on the growth of administrative positions in higher education, a phenomenon some call “administrative creep.” He went into detail regarding the increases in staff across departments, in particular areas of immense growth in the past decade, such as Information Technology Services and the Office of the Physical Plant. He also noted the emergence of new, essential departments including the Office of Ethics and Compliance and the Enterprise Project Management Office.

Ultimately, Dr. Jones said, data reveal there are actually fewer administrative staff working now, on a per student basis, serving Penn State's larger student body, than 25 years ago, and the University accomplished this lower ratio while trimming and reallocating \$305 million from the operating budget through unit recycling during the past 25 years.

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

[Appendix III]

Update on the Penn State Milton S. Hershey Medical Center

A. Craig Hillemeier, 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.

Reports from Standing Committees

Chairman Masser advised that standing Committees met in public session on Thursday, March 19, 2015, 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

Chairman Abe Harpster reported that the Committee on Academic Affairs and Student Life met on Thursday, March 19, with a quorum of the Committee present.

The Committee received the following items for information:

1. Information on Undergraduate Programs
 - a) Integrated Undergraduate/Graduate Program with Bachelor of Science in Psychology and Master of Arts in Applied Psychological Research at Penn State Harrisburg: New Program
2. Information on Graduate Programs
 - a) Learning, Design, and Technology in the College of Education: Drop the Doctor of Education Degree (D.Ed.), and Change Degree Requirements for the Master of Education (M.Ed.) and Master of Science (M.S.) Degree Programs
 - b) Integrated Undergraduate/Graduate Program with Bachelor of Science in Psychology and Master of Arts in Applied Psychological Research: New Program

The Committee on Academic Affairs unanimously recommended that the Board of Trustees approve the following resolutions:

1. RESOLVED, that the establishment of a School of Electrical Engineering and Computer Science is approved, effective immediately.
2. RESOLVED, that the name of the Department of Women's Studies be changed to the Department of Women's, Gender, and Sexuality Studies in the College of the Liberal Arts, effective immediately.
3. RESOLVED, That the Board of Trustees hereby approves President Eric J. Barron's appointment of Andrew L. Sears to the position of Dean of the College of Information Sciences and Technology effective July 11, 2015.

A motion to approve the foregoing resolutions as recommended by the Committee on Academic Affairs and Student Life was made and seconded and approved by the Board.

The Committee received updates from administrative liaisons Nick Jones, Executive Vice President and Provost, and Robert Pangborn, Vice President and Dean for Undergraduate Education. Nick Jones shared a brief update on the Strategic Plan, processes, and visits to Commonwealth campuses. Rob Pangborn provided an update on the 2015 admissions cycle, missions, and a summary of undergraduate research programs and activities.

UPUA President Anand Ganjam and GPSA President Danielle Rhubarb shared a presentation which included reflections on student government initiatives during the academic year. Finally, the Committee received an informational presentation from faculty and students of the Penn State College of Medicine, which included student academic centeredness and the importance of student support, wellness, and careers in medicine.

B. Committee on Compensation

Carl Shaffer, Chairman of the Committee on Compensation, reported that the Committee met on Thursday, March 19, with a quorum of the Committee present; the Committee met in both executive and public sessions.

The Committee considered and approved two action items. The first addressed an extension and change in terms to Coach Coquese Washington's contract. The effect of these changes extends the term to 2018-2019, with annual base salary increases consistent with benchmark information. Additionally, a retention bonus was approved and will be payable if Coach Washington is employed by Penn State on June 30th, 2019. The second action item provides for an extension and change in terms to Coach Patrick Chamber's contract. The effect of these changes extends the term to 2018-2019, with a change in the liquidated damages provision of his contract.

The Committee also reviewed a design for presidential performance assessment, as well as the next steps, as it prepares for the President's upcoming annual performance review. Finally, the Committee reviewed the calendar and proposed agendas for the remainder of the fiscal year.

There were no action items presented to the Board.

C. Committee on Finance, Business and Capital Planning

Chairman Mark Dambly reported that the Committee on Finance, Business, and Capital Planning met on Thursday, March 19, with a quorum of the Committee present.

The Committee received the following items for information:

1. Information Items –
 - a) Greenhouse Infrastructure Renovation, University Park
 - b) Beaver Stadium Press Box Improvements, University Park
 - c) Lasch Football Building Nutrition Bar and Video Wall, University Park
 - d) Services Road Improvements, University Park
 - e) University Drive Extension Improvements, University Park
 - f) Bigler Road Stormwater Management Improvements, University Park
 - g) East Parking Deck Rehabilitation, University Park
 - h) Breazeale Reactor HVAC Upgrades, University Park
 - i) Mushroom Research Building Addition, University Park
 - j) Atherton Hall Restroom Renovations, University Park
 - k) Nittany Apartments Renovations, University Park
 - l) Hail Damage Repair, Penn State Berks
 - m) Administrative Offices and Egress Corridor Relocation, The Milton S. Hershey Medical Center
 - n) Gift Shop Relocation, The Milton S. Hershey Medical Center
 - o) Pastoral Services Offices Relocation, The Milton S. Hershey Medical Center
 - p) Naming of the Hershey Data Center the "University Technology Center," The Milton S. Hershey Medical Center
 - q) Naming of Rooms, Portions of Buildings, and Plazas
 - r) Status of Major Construction Programs and Borrowing
 - s) Summary and Designation of Gifts Received by the University

2. Action Items –
 - a) Summary of Revisions to Existing Scholarships, Fellowships, etc.
 - b) Acknowledgement of Endowments and Other Major Commitments

The Committee received reports on the status of Commonwealth Appropriations from Rachel Smith, University Budget Officer; a risk oversight briefing from University Risk Officer, Gary Langsdale, Steve Shelow, Assistant Vice President for University Police and Public Safety, and Ford Stryker, Director of Physical Plant; and updates on selected construction projects from Ford Stryker.

Chair Dambly continued with his introductions of Agenda Items for consideration and approval. Agenda Item 2 proposed the naming of the Blue Band Building the *Richard Bundy Blue Band Building at University Park*, honoring Penn State Blue Band Director O. Richard Bundy who will retire after thirty years of service on July 1, 2015. The Committee approved this resolution by unanimous vote.

Agenda Items 3 and 4 proposed the appointment of architects for upgrades of the Chemical and Biomedical Engineering Building and the lacrosse facility, both located at University Park. The Committee approved these resolutions by unanimous vote. Secretary John Hanger, Director of Planning and Policy for the Commonwealth of Pennsylvania, and Governor Thomas W. Wolf's non-voting representative to the Board, stated opposition to the approval of Agenda Item 4 on behalf of the Wolf administration as it does not support basic, University infrastructure.

Agenda Item 5 proposed final plans and the authorization to expend funds for the HVAC replacement at the Visual Arts Building, located at University Park. Agenda Items 6, 7, and 8 proposed final plans and authorization to expend funds for the Data Center at University Park, the Water Treatment Plant and Distribution Upgrades at University Park, and the Student Enrichment Center at Penn State Harrisburg. David Gray, Senior Vice President for Finance and Business/Treasurer, provided supporting information for each of these projects. The Committee approved these resolutions by unanimous vote. Secretary Hanger stated opposition to the approval of Agenda Item 8 on behalf of the Wolf administration as it does not support basic, University infrastructure.

Agenda Item 9 proposed changes in room and board structure for the University's 2015-2016 academic year. Gail Hurley, Associate Vice President for Auxiliary & Business Services, reported on this item. Secretary Hanger stated that the Wolf administration could not support an increase in room and board charges which exceeds the rate of inflation. Discussion about the necessity of increases followed, which explored areas such as increases in food costs; employee-related costs; facility maintenance and improvements; occupancy demographics. The Committee approved this resolution by unanimous vote.

Agenda Item 10 proposed the approval of the Penn State Health/Pinnacle merger. A. Craig Hillemeier, M.D., CEO, Penn State Milton S. Hershey Medical Center; Senior Vice President for Health Affairs, Penn State University; and Dean, Penn State College of Medicine provided supporting and background information for this item. The Committee approved this resolution by unanimous vote.

Agenda Item 11 stated a conflict of interest related to the approval of a lease with PSRP Developers, Inc., located at Innovation Park. It was noted that Trustee Ira Lubert is not a member of the Finance, Business, and Capital Planning Committee, nor was he present during any discussion of this item at the committee meeting on Thursday. Trustee Lubert was also not present at any of the meetings on Friday. Documentation was provided to the Board via the *Agenda* in support of the resolution in accordance for section 8.05 of the Bylaws, regarding the fairness of the transaction and that it would serve the best interests of the University. The Committee approved this resolution by unanimous vote.

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

1. RESOLVED, That the conditions governing certain existing scholarships, fellowships, awards, and similar funds previously established at the University be revoked and that the Officers of the University are authorized to put into effect the revised regulations as requested by the donors.

2. RESOLVED, That the Board of Trustees gratefully acknowledges the generous contributions of the many friends of the University in support of endowments, funds, and other major commitments as reported to

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

3. RESOLVED, That the Blue Band Building at University Park is named "O. Richard Bundy Blue Band Building."

4. RESOLVED, That the Officers of the University are authorized to employ HOK of New York City, New York, to design the Chemical and Biomedical Engineering Building at University Park.

5. RESOLVED, That the Officers of the University are authorized to employ Trefz Engineering, Inc. of Horsham, Pennsylvania, to design the Visual Arts Building HVAC Replacement at University Park.

FURTHER BE IT RESOLVED, That the final plans for the Visual Arts HVAC Replacement, as designed by Trefz Engineering, Inc., are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of \$8,000,000.

6. RESOLVED, That the final plans for the Data Center at University Park, as designed by IDC Architects, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to construct the project is approved at a cost of \$58,000,000.

7. RESOLVED, That the final plans for the Water Treatment Plant and Distribution Upgrades, as designed by Buchert Horn, Inc. of York, Pennsylvania, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of \$62,000,000.

8. RESOLVED, That the proposal to enter into a three-year lease, with 5 one-year options, for Suite 314 at 101 Innovation Boulevard (Lubert Building) with PSRP Developers, Inc., totaling 3,346 square feet at a current annual cost of \$55,209.

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

Agenda Items 4 and 8 were discussed further; the Committee on Finance, Business and Capital Planning recommended that the Board of Trustees approve the following resolutions:

9. RESOLVED, That the Officers of the University are authorized to employ AP Architects of State College, Pennsylvania, to design Lacrosse Facility Upgrades at University Park.
10. RESOLVED, That the final plans for the Student Enrichment Center, as designed by Bohlin Cywinski Jackson of Pittsburgh, Pennsylvania, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of \$30,000,000.

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

Agenda Item 9 was discussed further; questions related to the state allocation and University tuition were raised. President Barron confirmed that in the event the University receives an appropriation exceeding its request by at least \$1.75 million, the first \$1.75 million would be applied to tuition reduction. The Committee on Finance, Business and Capital Planning recommended that the Board of Trustees approve the following resolution:

11. 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 IV]

A motion to approve the foregoing resolution as recommended by the Committee on Finance, Business and Capital Planning was made and seconded and approved by the Board.

Agenda Item 10 was presented for approval. The Committee on Finance, Business and Capital Planning recommended that the Board of Trustees approve the following resolutions:

12. RESOLVED, That the Board of Trustees approves the proposed transaction with Pinnacle Health System ("Pinnacle") of Harrisburg, Pennsylvania, which will integrate Pinnacle as an affiliate of Penn State Health, upon the terms and conditions presented to the Board of Trustees and subject to all requisite regulatory approvals.

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

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

D. Committee on Governance and Long-Range Planning

Chairman Keith Eckel reported that the Committee on Governance and Long-Range Planning met Thursday, March 19, with a quorum of the Committee present.

The Committee received an informative presentation from Jonna Kulikowich, Chair of the University Faculty Senate. In January, the Board approved a motion which charged the Committee to investigate the need for, and to assist with, the implementation of a Board assessment. The

Committee discussed methodology and timelines for the implementation of assessments, including operations and committee evaluations. Additional discussion and planning will occur in May; prior to this meeting, developmental input from all Trustees was encouraged and will be collected by the Board office.

The Committee discussed the selection process and inclusion of Trustee Emeriti; this discussion will be continued at the May meeting. Finally, Associate General Counsel Frank Guadagnino provided the Committee with a draft document concerning alternative methodology, rules of order, and guidelines for consideration.

There were no action items presented to the Board.

E. Committee on Legal and Compliance

Rick Dandrea, Vice Chairman of the Committee on Legal and Compliance, reported that the Committee met on Thursday, March 19, with a quorum of the Committee present.

The Committee received informational reports from Regis Becker, Director of Ethics and Compliance, and Julie Del Giorno, the Athletics Integrity Officer. General Counsel, Steve Dunham, introduced three of his colleagues from the Hershey Campus Office of General Counsel; Attorneys Mark Faulkner, Mike Mohr, and Nicole Lehman spoke about the legal issues unique to our academic research institution.

The Committee received a legal update in privileged executive session.

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

1. WHEREAS, The Pennsylvania Liquor Code authorizes the Pennsylvania Liquor Control Board to issue various licenses related to liquor sales, subject to a well-defined set of regulations; and

WHEREAS, The Pennsylvania State University desires to file an Application for Public Venue Restaurant Liquor License issued by the Pennsylvania Liquor Control Board,

HEREBY BE IT RESOLVED, That an Application for Public Venue Restaurant Liquor License be submitted to the Pennsylvania Liquor Control Board related to the sale of alcoholic beverages at the Bryce Jordan Center; and,

FURTHER BE IT RESOLVED, That David J. Gray, Senior Vice President for Finance and Business/Treasurer, and/or Joseph J. Doncsecz, Associate Vice President for Finance and Corporate Controller, is/are authorized to execute the application and any other papers required by the Pennsylvania Liquor Control Board, and to take such other actions as may be required in connection with the Application.

A motion to approve the foregoing resolution as recommended by the Committee on Legal and Compliance was made and seconded; Trustee Betsy Huber spoke against the resolution. Following a roll-call vote, the resolution was approved by the Board, 13-7.

F. Committee on Outreach, Development and Community Relations

Paul Silvis, Chairman of the Committee on Outreach, Development and Community Relations, reported that the Committee met Thursday, March 19, with a quorum of the Committee present.

The Committee received a report from Michael DiRaimo, Vice President for Governmental Affairs, which reviewed both federal funding and Governor Wolf's state budget proposal. The Committee supported a resolution reaffirming President Baron's access and affordability initiatives. Assistant Vice President for Government Healthcare Relations, Sheilah Borne, provided an overview of the Penn State Hershey Medical Center and College of Medicine Governmental Affairs Program.

The Committee received a summary of results from an alumni opinion survey, commissioned by the Penn State Alumni Association. Vice President for Outreach and Vice Provost for Online Education, Craig Weidemann, reported that Penn State will have its first dedicated teaching site on a military base this fall through the World Campus initiative. Students Mitch Robinson and Taylor Mitcham reflected on their participation the Spring 2015 New Leaf-Lion Launch Pad program, a University-community partnership which provides business development opportunities for undergraduates. Neil Sharkey, Vice President for Research, discussed the President's economic development initiatives.

Kay Salvino, President of the Penn State Alumni Association, reported on the organization's promotion of Dr. Baron's work via its newsletter, *AlumInsider*; engagement in the College of Medicine's Match Day; numerous awards; and the upcoming Coach's Caravan. Finally, Rod Kirsch, Senior Vice President for Development and Alumni Relations, presented an overview of his division's new talent management function, staffed by a Director of Talent Management and an Associate Director of Talent Acquisition.

There were no action items presented to the Board.

Appointment of Directors of Penn State Health

The Board of Trustees adopted the following resolution:

RESOLVED, That the Board of Directors of Penn State Health shall initially consist of eight members, and the following individuals are appointed for a term of one year:

Dennis P. Brenckle
Peter N. Carlino
Kathleen L. Casey
Mark H. Dambly

Rodney A. Erickson, Ph.D.
David J. Gray
A. Craig Hillemeier, M.D.
Keith E. Masser

Announcements by the Chairman of the Board of Trustees

Chair Masser called for other matters to come before the Board. There being none, the meeting was adjourned at 4:57 p.m.

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

Respectfully submitted,

Janine S. Andrews
Associate Secretary,
Board of Trustees

Penn State

Student Governance Report

2014-2015 Year in Review

Anand Ganjam, President, *University Park Undergraduate Association*

Danielle Rhubart, President, *Graduate and Professional Student Association*

John Shaffer, President, *Council of Commonwealth Student Governments*

Penn State Student Governments



UPUA
Your Student Government



University Park Undergraduate Association

Representing all undergraduate students at University Park

Highlighted Initiatives

Roundtable-based Governance: Collaborative Student Government
Open Educational Resources



Council of Commonwealth Student Governments

Representing students at the Commonwealth Campuses

Highlighted Initiatives

International student representation

Campus legislator visits



Graduate & Professional Student Association

Representing Graduate & Professional Students at University Park

Highlighted Initiatives

Student Health Insurance Education & Advocacy

Professional Development: Thesis and Dissertation Boot Camp



Collaborative Initiatives & Advocacy

- University Governance
- Tuition & Finance
- Student Health
- Legislative Outreach
- Transition Improvements

University Governance

- Town Hall Forums with Dr. Barron
- University Strategic Plan Focus Group Sessions
- Trustee Town Hall Panel
- Codified Student-Selected Trustee



Tuition & Finance

- Facilities Fee Advisory Committee
- Student Activity Fee Board
- Commission on Student Fees



Student Activity Fee Tier Proposal

Commonwealth Tier	University Park Tier
Voting based on Commonwealth Campus Needs	Voting based on University Park Needs

Tuition & Finance

- **Student Engagement with University Budget**
 - Student on PDRB
 - Student Budget Advisory Committee
 - Involvement with Appropriations Request
 - Budget.psu.edu Recommendations



Student Health

- Student Health Insurance Task Force
- Mental Health
- Sexual Assault Prevention and Awareness



JANUARY 29, 2015 AT 5:40 AM

CAPS to Help About 20 Percent More Students This Year

By Mindy Szkaradnik

After receiving \$300,000 extra in funding at the beginning of this academic year, CAPS is on track to help about 20 percent more students than in previous years.

94  Share 13  Tweet 0  Comments



Legislative Outreach

- **Capital Day**
 - Steps for State
 - Drive for Strive
 - Student Platform



Penn State Student Governance Report: 2014-2015 Year in Review

Thank You!



UPUA
Your Student Government



Remarks from President Eric J. Barron

Meeting of the Penn State Board of Trustees, The Hershey Lodge, Hershey, PA

March 20, 2015

“Thank you. On Tuesday, I will be participating in the House on Senate Appropriation Budget Hearings in Harrisburg. As you know, Penn State University has proposed and began to implement two major initiatives, the first is access to the affordability which includes a focus on reducing the total cost of a degree and reducing student debt, controlling tuition and ensuring that need based students both complete their education and do so at a much lower cost. The second major initiative is Invent Penn State, a comprehensive program to promote economic development, job creation and student career success. Both of those are the focus of my part of the presentation at hearings. In that regard, we are very pleased that the Governor's proposed budget increase for Penn State and for other state-related institutions focuses exactly on these two critical issues that have become Penn State's highest priorities. If realized, the increase funding to the University will allow us to address these two University priorities even more fully by directly addressing the full set of issues that influence the cost of a degree including even greater tuition control and by ensuring that Penn State's extensive research portfolio is positioned to drive the economy of our Commonwealth.

“We do however recognize that this is the first step in the process and the general assembly will have difficult choices to make. We will work to provide a very clear case why Penn State should be able to move forward with this funding. I particularly appreciate the effort of Michael DiRaimo and Zack Moore and the staff of Government Affairs to partner with the legislature in behalf for the citizens of commonwealth representing Penn State. I would also like to thank the individuals who have been working on our behalf to get on our message of how committed we are to access and affordability. So I would like to thank specifically Cliff Benson and Kathleen Casey for writing an Op-Ed in support of Penn State's effort to keep our tuition within the reach of Pennsylvania's working families. This week the Op-Ed appeared on *PennLive* and in the *Patriot-News* and by all measures has been very well received. So, I want to thank both Cliff and Kathy for initiating that effort. As in the past years, just so you know, the appropriation hearings will be streamed live on PCM, and so I hope you'll tune in on Tuesday, if your schedule permits.

“Now to the formal part of my presentation. As you know, I began this last year focusing on six major issues: access and affordability; economic development and student career success; student engagement and engaged scholarship. Those are the ones that have been presented already. And as you also know, what I do is first describe some of the issues and data that we have about these particular issues and that is a prelude for the Board to see proposals for moving this particular issue, into a mode of action. As you can see, the first two were access and affordability, and economic development and student career success, and those initiatives, from a multifaceted viewpoint, have now been launched. Today, I would like to look at the topic of diversity and demographics. Why is that topic on the list? Well, first of all I believe that educating the citizens of our Commonwealth is a moral imperative. This is part of the mission of what I believe should be a great of any great public university. The second is that anytime I talk to a student or a faculty member and they describe an experience with someone who is different than they are, they describe the degree to which this enriches their life and enriches their scholarship. The third imperative here is a business model imperative. Our state is changing and the nation is changing. And if we are not prepared for those changes, I don't see how it is that we will have the students in our seats that allow us to have a budget model that will work for the University. So, let's take a look at this purely from the viewpoint of data.

“So, we could look at census projections for 2020 and think out the next six years. We see that in the United States, that projection is that the United States will be about 40% minority and Pennsylvania

pumping up against 25% and you see there for both United States and for Pennsylvania, black African-American individuals and Hispanic, Asian and those individuals that have identified two or more races. If we then turn to the projections that are for the student population, high school graduates that become the source of students for Penn State University, we see a rather dramatic changes that are occurring. If you go back to 1996, 1997, the number of white high school graduates was 72% of that population. By the time we come up to 2026 and start to imagine this University in 2030, it is likely that, that population will be less than 50% of the high school graduations. This tells us that the pool of students that this University is going to recruit from is going to change significantly from the population that we see today.

“If I look at all the census data that is out there, I see some significant trends. First of all, birthrates are declining in most every Pennsylvania county and the statewide average you're going from 2002 to 2012 so the statewide average for individuals born just two years ago has a birthrate decline in Pennsylvania of 4.3%. That is a significant number. On the other hand, the birthrates are increasing in the United States. That average in that same decade period is up 7.3%. The increases that you see are in urban areas. This is true in Pennsylvania and it's true in the nation. Births to white mothers are declining in the US and in Pennsylvania. In Pennsylvania that birthrate was 80% in 2002 and 70% of the births in 2012 and I've already shown you the projections that would go out in terms of high school age population out towards 2030. The greatest increases in births are in Hispanic mothers. Finally, there's no doubt and you can see it in the census, you can see it in the draw of students for our institution, in Pennsylvania the future is also dependent on the migration into this state. So in many ways this report, dovetails with our emphasis on helping to drive the economy of the state of Pennsylvania because our efforts to help drive the economy of Pennsylvania will also be reflected in changes of population to students that we may admit. Well here's the bottom line from all of that data. The source of students for the future for the next couple of decades at least is going to be increasingly diverse compared to what it is today. And we also have to realize that the source of those students were either going to focus on having more out-of-state students come to Penn State University or this is going to be an institution that is going to have to have a greater effort to recruit and to yield successfully Pennsylvania students. Incidentally, although these are far into the future and I don't know how well census projections work, many of these indicators seem to change or predicted to change by 2040. But that means this institution is going to have a 25 year story that is focus on this particular bullet points. And if this institution is going to be successful, morally, environmental richness or our business model, we're going to have to pay attention to this issue and again migration into the state maybe a potential source of growth that we don't know.

“So those are national numbers. I would like to dig in to this topic a little further, I'm going to look at bar graphs of averages so that you can see how we compare on a student side and a faculty side. And then we've created a series of pictures in which you can see the state of Pennsylvania by catchment area for our Commonwealth campuses for which the catchment area for University Park is also the set of counties. But, obviously, that catchment area is broader than a single county. Within those catchment areas are circles that have a percentage in them and that percentage will tell you the current percentage of faculty and the current percentage of students. So let's try this. Here's the first bar graph. This is for Black or African American faculty or students. The two lines at the top of the graph tell you the percentages for the US for the 2020 census projection and for Pennsylvania in the 2020 census projections. Below that are bar graphs that tell you the number of faculty in orange--percentages of faculty in orange and percentages of students in orange, for the Total University, for University Park and for the Commonwealth Campuses. We see that for this particular indicator of diversity, the diversity of our student body has been growing faster than the diversity of our faculty but we're still significantly below what the Pennsylvania averages are and what the national averages are. And then here are these charts that I promised you, maybe a little hard to see those numbers within the circles if depending on what this looks like compared to what I'm looking at. But the counties are the 2020 census projections, and the colors are less than 5%, 5 to 10%, and 10 to 15%, and greater than 15%. So you see an instant color coded picture of our state by the diversity at least for the percentage of Black or African American by 2020. And in the circles are our current percentage of students within each one of those catchment areas. One of the things that I find interesting is that our student population outside of the University Park

is starting to look like the catchment areas for our Commonwealth Campuses. This tells us part of the value of a Commonwealth campuses and driving the mission of our University and you can see that those numbers, so for example, in the Philadelphia area inside the circles are the numbers 12% and 14% within those catchment areas. The picture changes rather dramatically for full-time faculty. If you can't see the numbers in that same Philadelphia area, those perspective numbers are 5% and 6%. So we see rather clearly that the faculty percentages are not reflecting the catchment areas quite so carefully and we see also that that number for University Park there in the center is 3% significantly different than the 2020 census projections for the nation of 13% or for Pennsylvania of 12%. And finally, for--finally for staff for which you see also that in some regards the staff numbers are starting to reflect the area for which we're drawing our population of employees.

"So I do this again for the Hispanic faculty and students at Penn State. You see the Pennsylvania census projection for--at 8% and the US census projection of 19% for 2020 and you see in comparison of that the student population in orange and the faculty in blue. And we do see that in terms of students, again, the University is starting to come close to what are the population within the Commonwealth and of course teaching those students that are within our mission but the faculty lag behind. Here are again the maps that show the distribution of population projections for 2020 along with the percentages that we have for, in this case, students. And you see once again that our catchment areas are starting to suggest that are--these graphs are starting to suggest that the Commonwealth campuses are capturing the population within those particular regions and again you need University Park is an exception with the Pennsylvania projection being 8 and the national projection being 19 and the University Park percentage of being 5. Here we have for the faculty. And again, as you saw before, the faculty lags significantly behind the students and then again for staff and administration where you don't see quite the same correlation as we saw earlier in terms of matching the staff, Hispanic staff appeared to lag behind in terms of both catchment area and for University Park. This is the same graph for Asian faculty and students for which we see the US census projections for 2020 and the Pennsylvania census projection, we see that the faculty exceed at total University. You can see total University to the left University Park in the middle and then Commonwealth Campuses. OK. So this is a rather different story in term of population and now we see in the catchment area that there's little variation in the state and if I just take the example again of the Philadelphia area, you see 16% and 10% of the faculty which exceeds that catchment area and 6% within the University Park area. Here the students are and here is the faculty and then the staff.

"So this gives us a geographic sense of the changes that are in demographics that are occurring. Now, what's happening in terms of race and ethnic distribution by academic rank? Now, if I look at this--I wonder if I have a pointer here. If I look at this and I have here assistant professor, associate professor and professor, you can see what appears to be what you might think about as a way as going through the system where we're having a more diverse pool and we're hiring faculty that are at an assistant professor rank and you expect to see those numbers grow as those individuals age and prosper in this system and become associate professors and full professors. Of course, it's also true that if you look at that carefully and you remove international and undeclared and Asian, you see a rather different picture of very little change in the population within the University. And then if I look at the trends through time, I see the exact same thing in terms of changes in the population, a full time faculty that are occurring here that are international and Asian and these two graphs here are Hispanic faculty and African American faculty and again, you see that over a period of several years, those changes are rather minimal. If we look and do the same thing through time for the profile of our undergraduate students, we see here that profile for University Park, it appears as if there's somewhat of a step and change that occurs right here. But of course we both have new categories in terms of two or more races and we also see the importance of the growth of international students. There's no choice but to believe that the change in the diversity of the student population at Penn State has been a slow, steady increase and despite a lot of effort, they're not big steps in how this is evolving. We can go from University-wide to University Park and see the same story. And from University Park to the Commonwealth Campuses where you see a bigger change, but again, one that if you remove two or more races or unknown that step function starts to disappear.

“So what are our conclusions here? Well, first and I'm very happy to see this, the student population is beginning to reflect the catchment areas and that's a good story in terms of us being a public University that attracts the students of the Commonwealth and educates them successfully. University Park which has a much catchment area is a different story in terms of how it sits within this because now we're having to view the catchment areas, the state of Pennsylvania and increasingly beyond. The growth in student diversity is not the product of a set of changes. It is a slow long-term process of growth and diversity of the student population. For the faculty and staff, it appears as if there's a lag that enters into here where the pool of candidates is suggesting that we're hiring at early ranks and watching people evolve. But this is also a slow process. Lags the student population and it's clearly an evolving process as well. But the growth of the faculty is more largely Asian and international and not reflecting the diversity within the state of Pennsylvania and the nation.

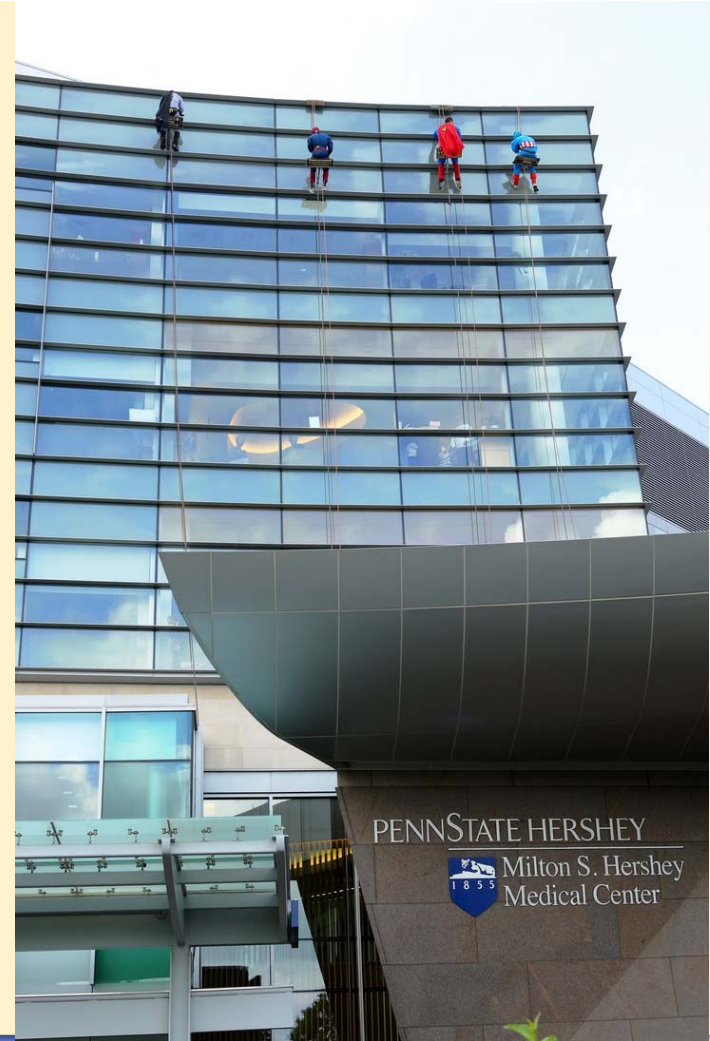
“So what is the summary here? Well, the University's statistics combined with the population projections and those population projections included declining Pennsylvania population but with increasing diversity, a growing US population with increasing diversity and an importance of migration into the State for our future. Those statistics combined with the population projections highlight the need for this institution to be focused on recruitment, retention and the creation of an inclusive environment. If we fail to do so, I believe that you have the potential to have difficulty with the business model of this University. It certainly would not reflect a University that is focused on the moral imperative of educating the students within the Commonwealth and I think we fail in providing that rich environment for our students that will make them successful in the world. Now, what has Penn State done to focus on this particular topic? Well, we're at the end of the third or the end of submitting a third five-year plan from each college and campus, these are under review as part of a framework to foster diversity. This was an intentional focus on individual units and on colleges and campuses. But now I think that we see, especially if we're going to be ready for 2020, 2030 and 2040, that we need to have a more intense focus to utilize those reports that we have and the suggestions that we have to do a better job of preparing ourselves for the future. In my view, we have to move from the stage of individual colleges and individual campuses talking about their diversity plans and framework plans to one in which we have a much greater sharing of what we've learned as successful over the last two decades. And we have to make sure that we're committed to implementing those best practices at multiple levels. And I think above all else, we're going to have to have an institution that starts to hold people accountable from moving forward in this direction. I also think that it means that it is more important instead of me standing here and defining diversity and looking at the numbers but to look at the degree to which our campuses are inclusive and the degree to which we have an environment that is welcoming to students from across the Commonwealth.

“All of these lead me to the suggestion that if we're going to be prepared for the next decade and the next decade after, we're going to have to have a greater emphasis on diversity as part of our strategic initiatives in the University. So basically, what I'm doing today is giving you a heads up that here is the data as we begun to analyze it to small subset of the data that we have been analyzing, I think it clearly defines what the issues are and we've got to get to work as we have with the other projects and topics to do a better job of making sure we're ready for the coming decades.

“And with that Mr. Chairman, I conclude my report.”

President's Report to the Board of Trustees

March 20, 2015



Examining Six Major Issues

- Access and Affordability
- Economic Development and Student Career Success
- Student Engagement/Engaged Scholarship
- **Diversity and Demographics**
- Technology and Curriculum Delivery
- Excellence



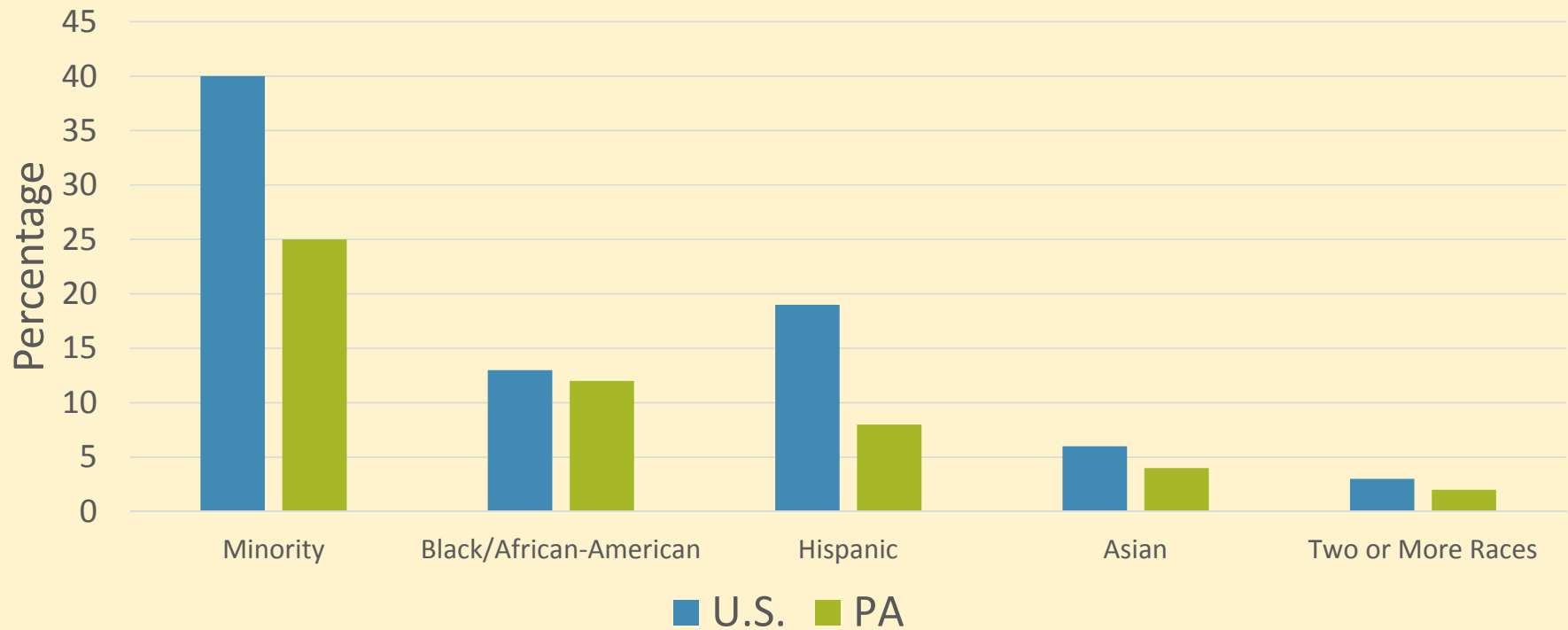
Source: Comm269

Why Diversity and Demographics?

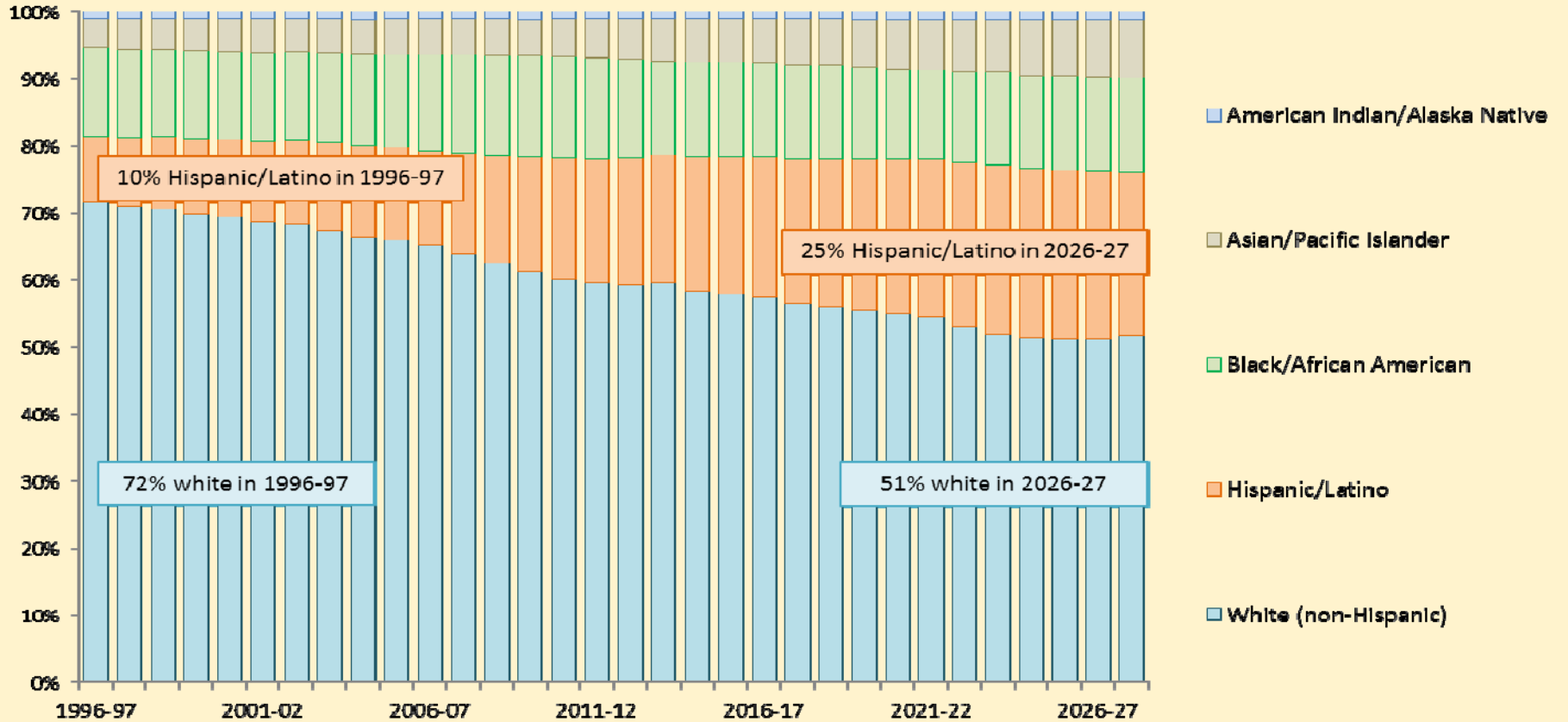
- Moral imperative as a public university
- Environmental richness imperative
- Business model imperative



Projected Diversity 2020 (U.S. Census)



High School Graduates by Race/Ethnicity, 1996–97 to 2010–11; Projection through 2026–27



Source: Western Interstate Commission for Higher Education (WICHE), *Knocking at the College Door: Projections of High School Graduates, 2012*.

Important Trends

- Birth rates declining in most PA counties (Avg. -4.3%)
- Birth rates increasing in the U.S. (Avg. +7.3%)
- Increases are in urban areas in PA and nationally
- Births to white mothers declining in U.S. and PA (PA: 80% of births in 2002; 70% of births in 2012)
- Greatest increases to Hispanic mothers
- PA future dependent on migration into state (economic development)

Source: PA Department of Health-PA Vital Statistics; 2002, 2012

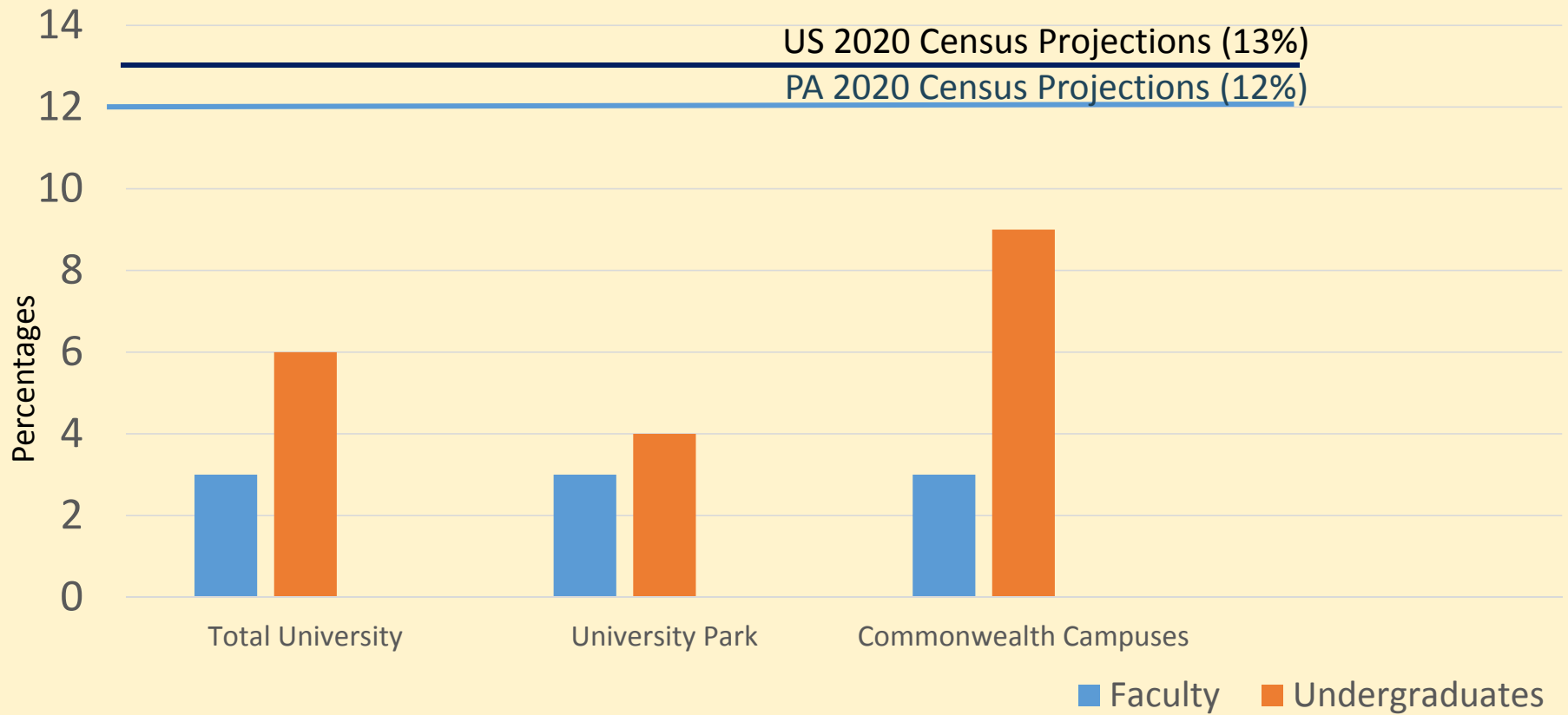
The Bottom Line:

- Source of students--increasingly diverse population
- Either out-of-state students importance continues to grow or Penn State has greater effort to recruit and yield PA students
- College-age cohort in PA projected to grow again by 2040
- Migration into state potential source of growth

Examine Projections by US, PA and by Catchment Area

- Bar graphs of averages
- Population projections 2020 in PA are color coded (%) by catchment
- Within circles are the current percentage of students, faculty and staff

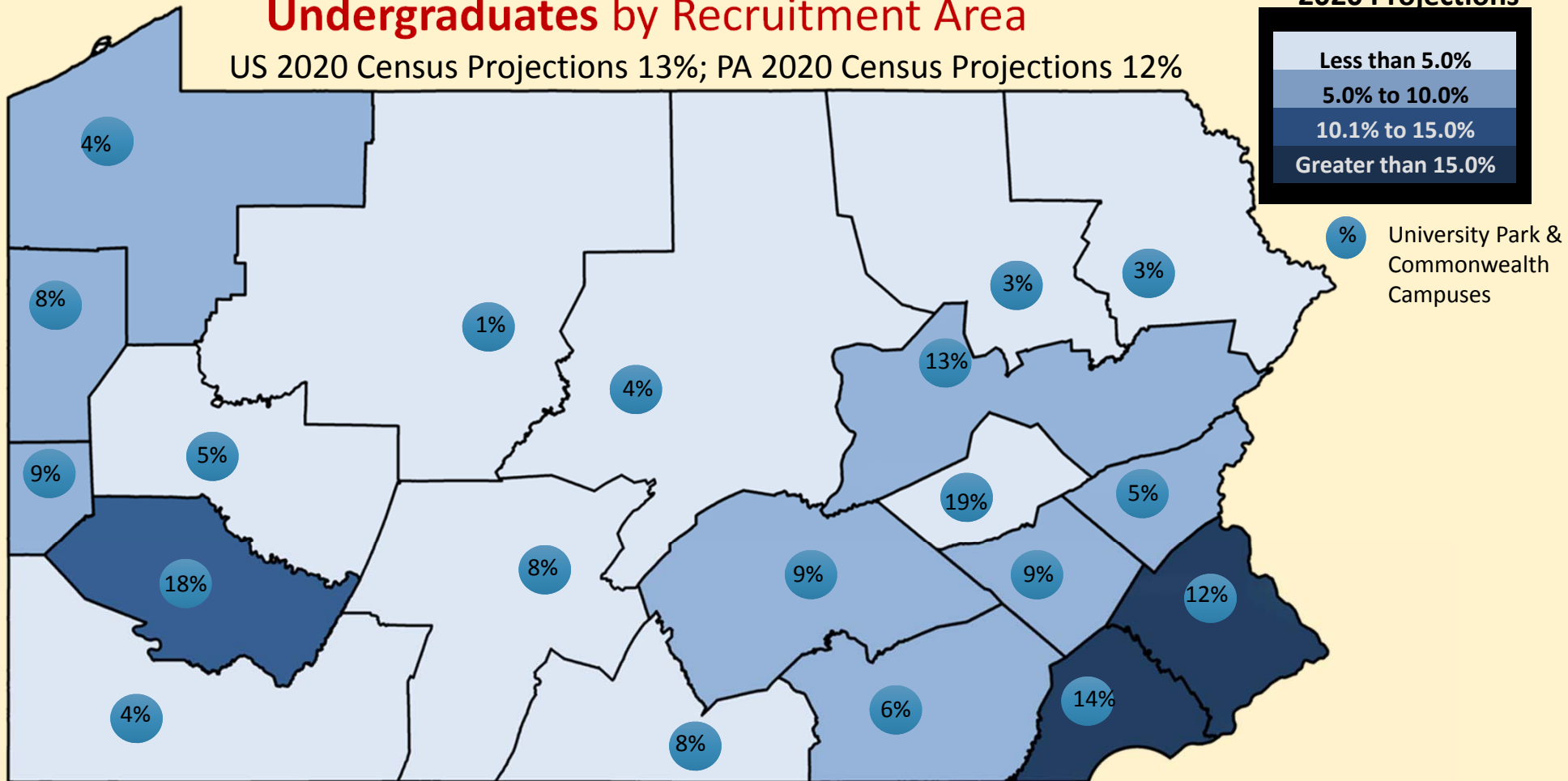
Black or African American Faculty/Students at Penn State (Fall 2014)



Source: Penn State Fact Book, University Budget Office, 2014

Fall 2014 Percentage of Black or African American Undergraduates by Recruitment Area

US 2020 Census Projections 13%; PA 2020 Census Projections 12%

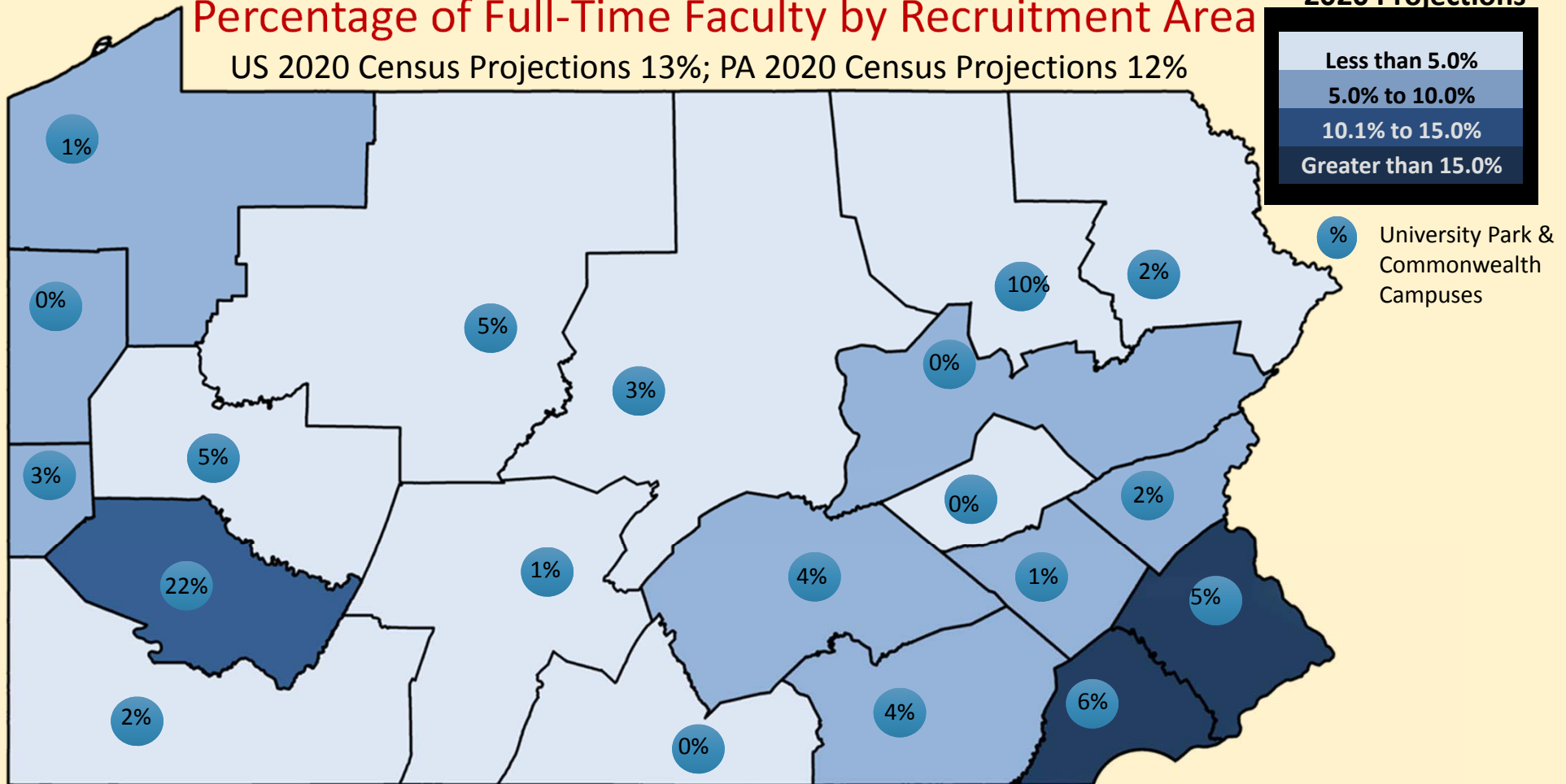


Sources: State and County 2020 Population Census Projections by Age, Pennsylvania State Data Center, 2014; Penn State Fact Book, University Budget Office, 2014

Fall 2014 Black or African-American Full-Time Faculty as a Percentage of Full-Time Faculty by Recruitment Area

2020 Projections

US 2020 Census Projections 13%; PA 2020 Census Projections 12%

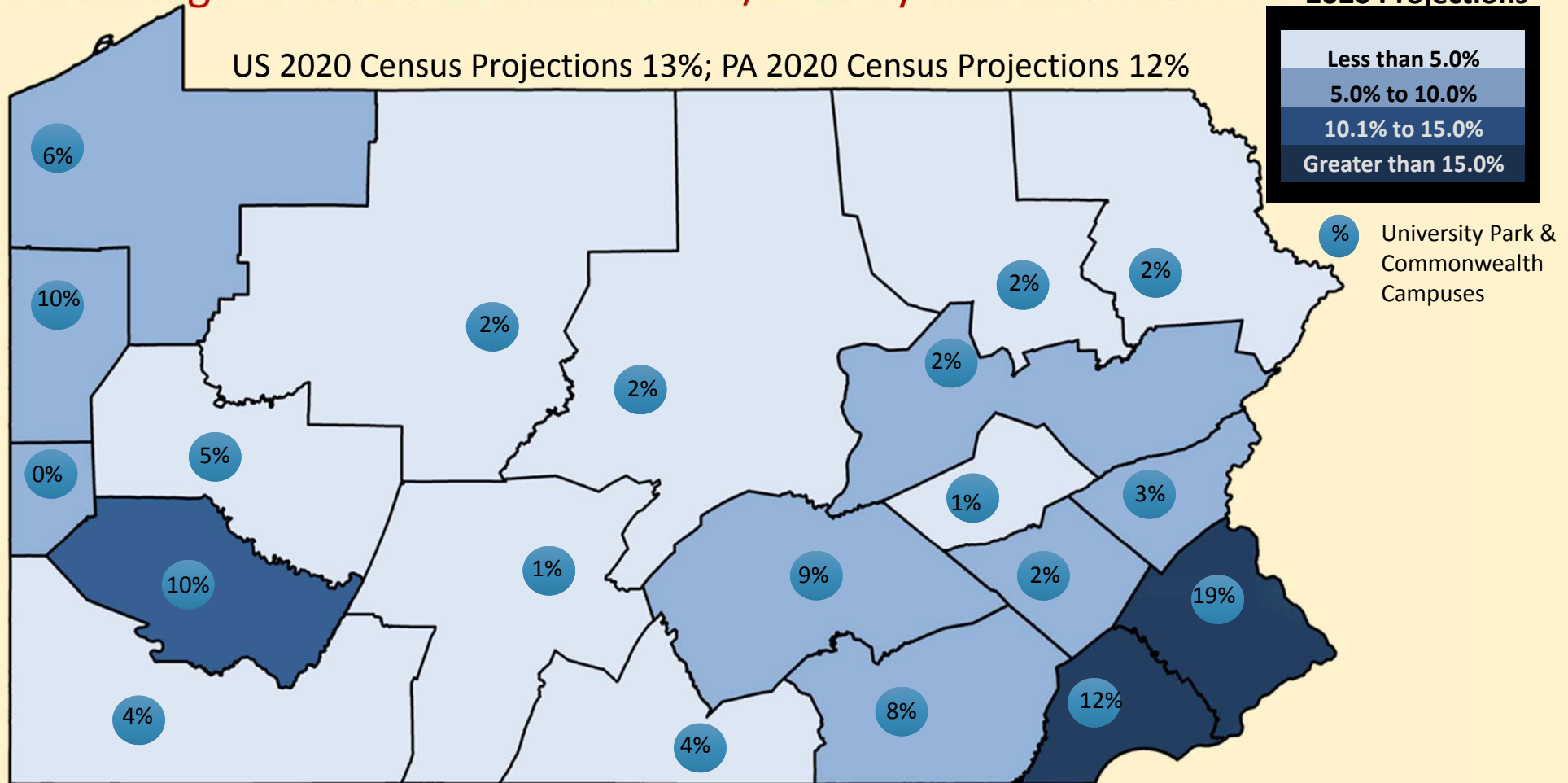


% University Park & Commonwealth Campuses

Less than 5.0%
5.0% to 10.0%
10.1% to 15.0%
Greater than 15.0%

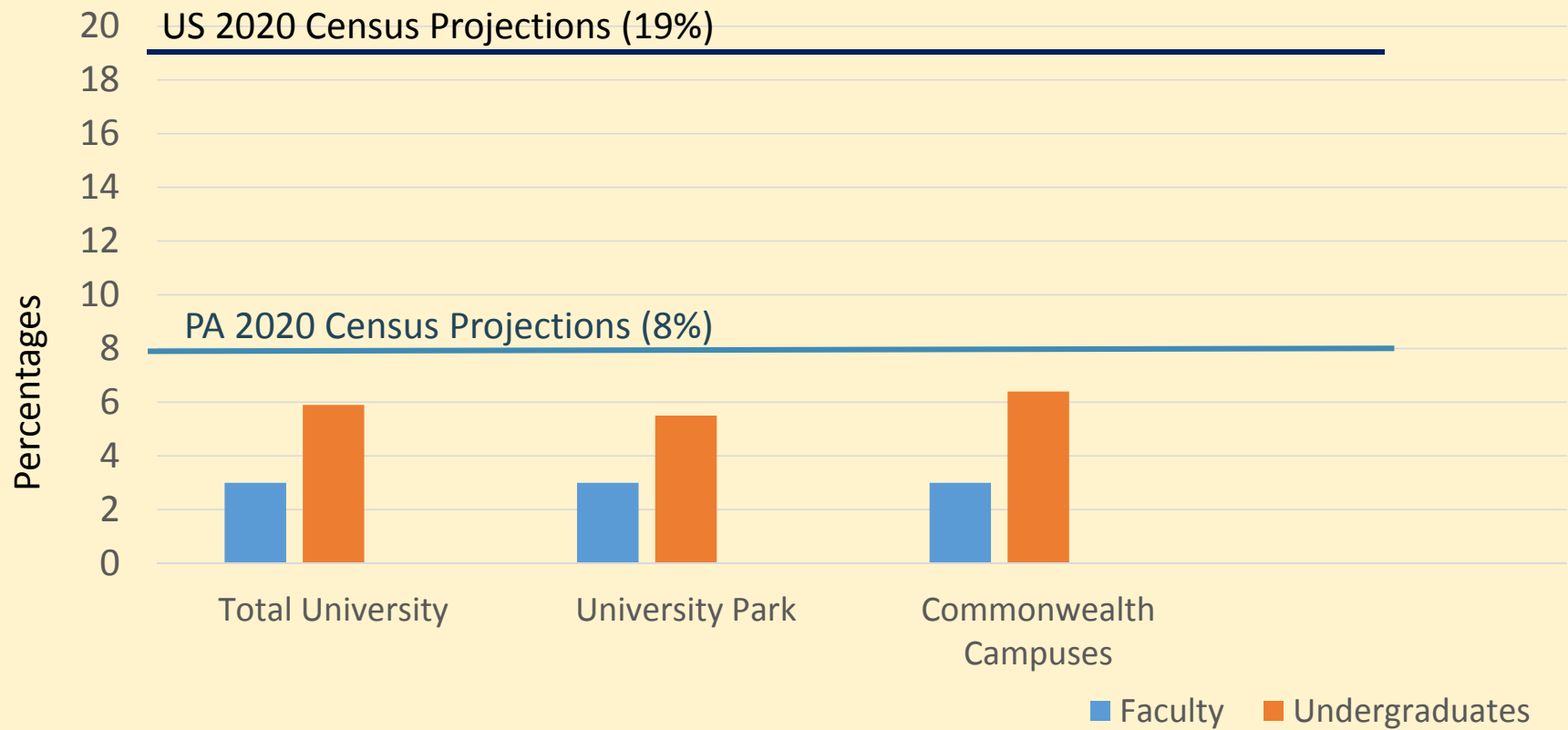
Sources: State and County 2020 Population Census Projections by Age, Pennsylvania State Data Center, 2014; Penn State Fact Book, University Budget Office, 2014

Fall 2014 Black or African-American Full-Time Admin/Staff as a Percentage of Total Full-Time Admin/Staff by Recruitment Area **2020 Projections**



Sources: State and County 2020 Population Census Projections by Age, Pennsylvania State Data Center, 2014; Penn State Fact Book, University Budget Office, 2014

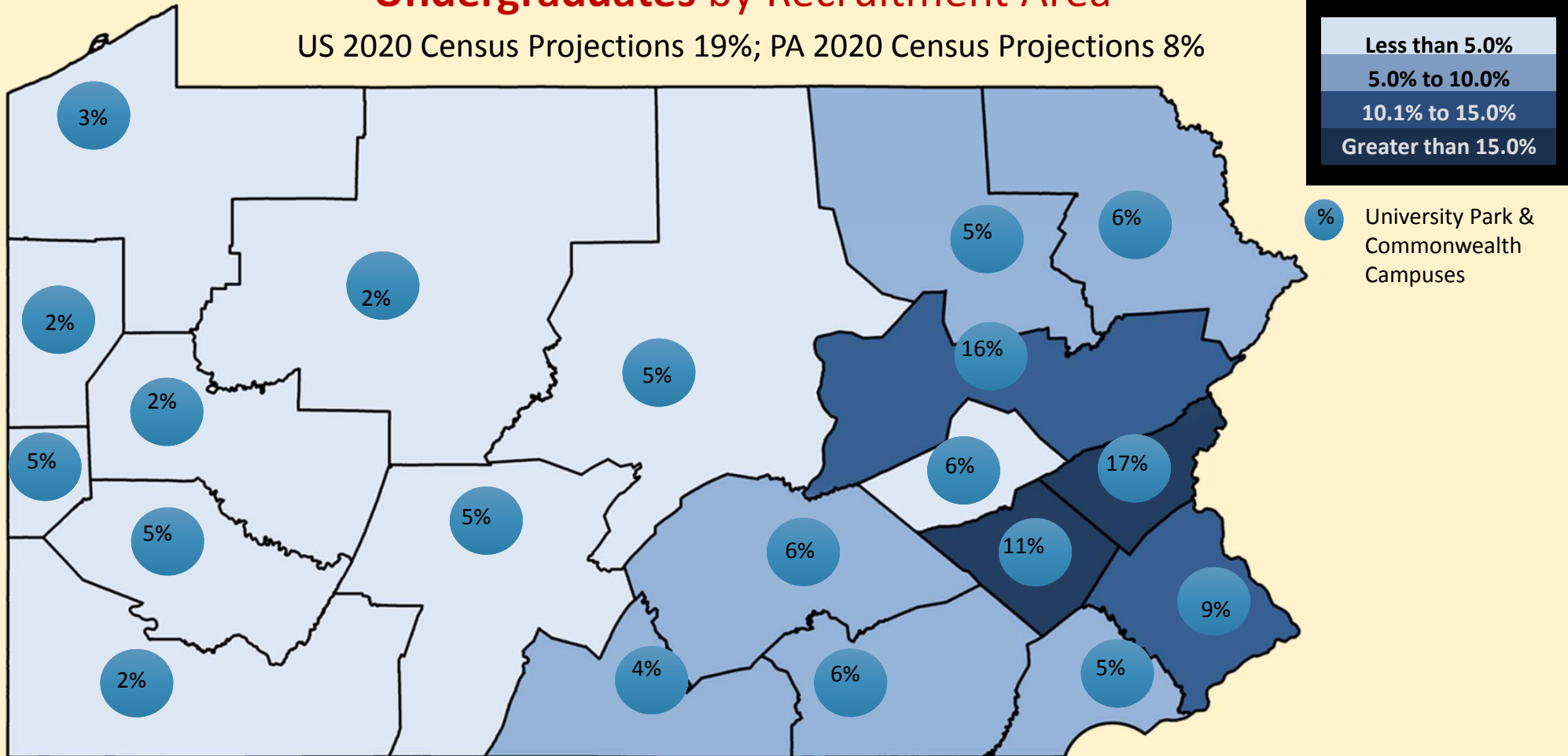
Hispanic Faculty/Students at Penn State (Fall 2014)



Source: Penn State Fact Book, University Budget Office, 2014

Fall 2014 Percentage of Hispanic Undergraduates by Recruitment Area

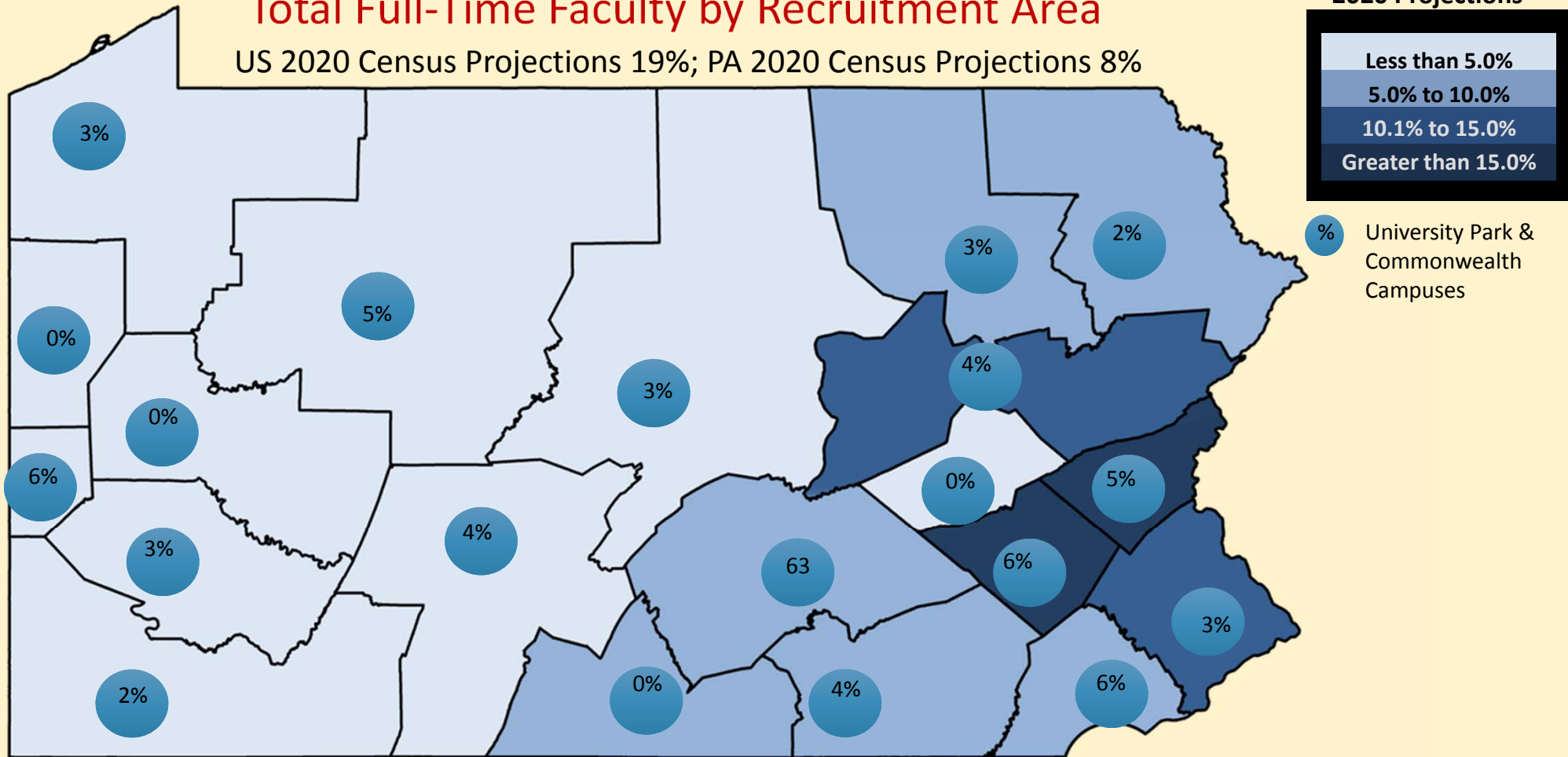
US 2020 Census Projections 19%; PA 2020 Census Projections 8%



Sources: State and County 2020 Population Census Projections by Age, Pennsylvania State Data Center, 2014; Penn State Fact Book, University Budget Office, 2014

Fall 2014 Hispanic Full-Time Faculty as a Percentage of Total Full-Time Faculty by Recruitment Area

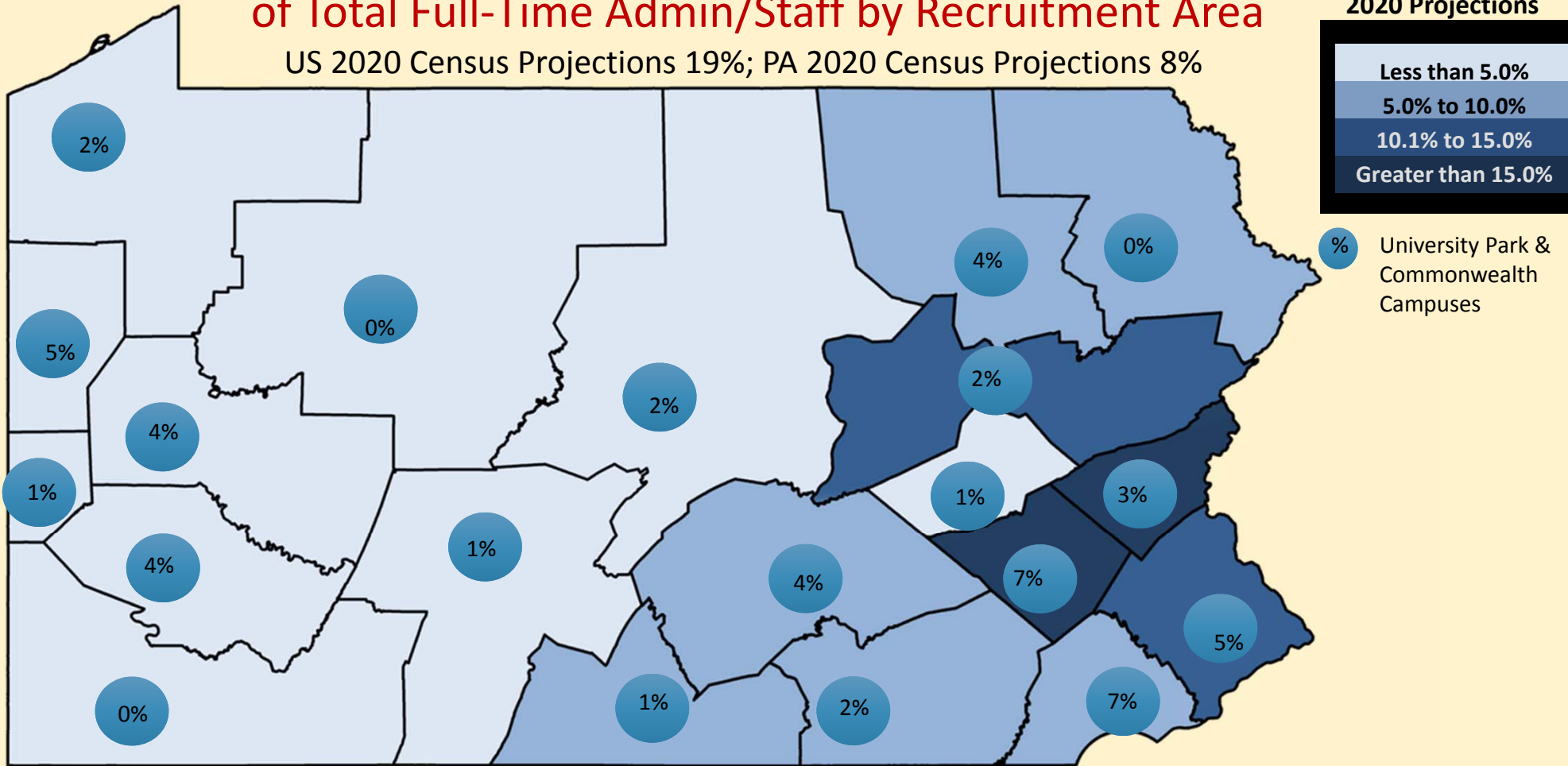
US 2020 Census Projections 19%; PA 2020 Census Projections 8%



Sources: State and County 2020 Population Census Projections by Age, Pennsylvania State Data Center, 2014; Penn State Fact Book, University Budget Office, 2014

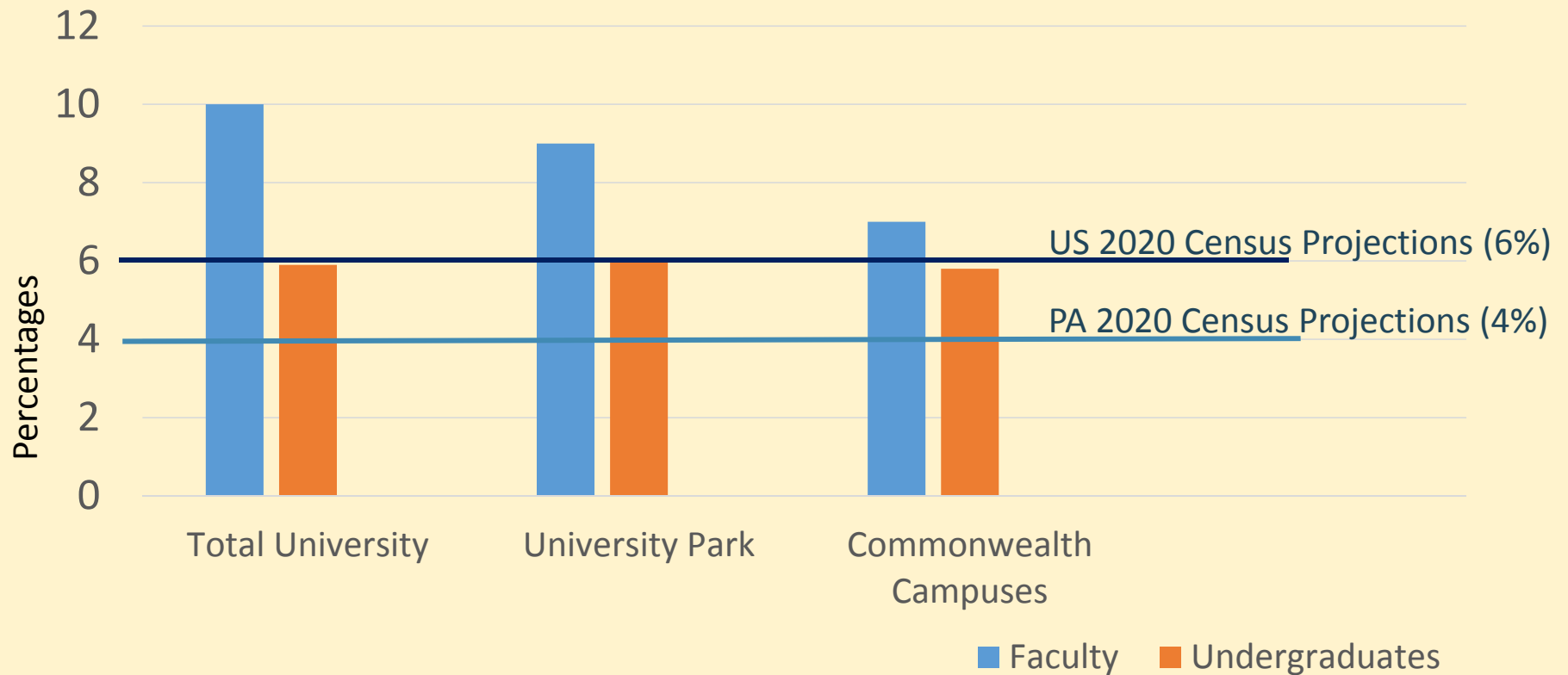
Fall 2014 Hispanic Full-Time Admin/Staff as a Percentage of Total Full-Time Admin/Staff by Recruitment Area

US 2020 Census Projections 19%; PA 2020 Census Projections 8%



Sources: State and County 2020 Population Census Projections by Age, Pennsylvania State Data Center, 2014; Penn State Fact Book, University Budget Office, 2014

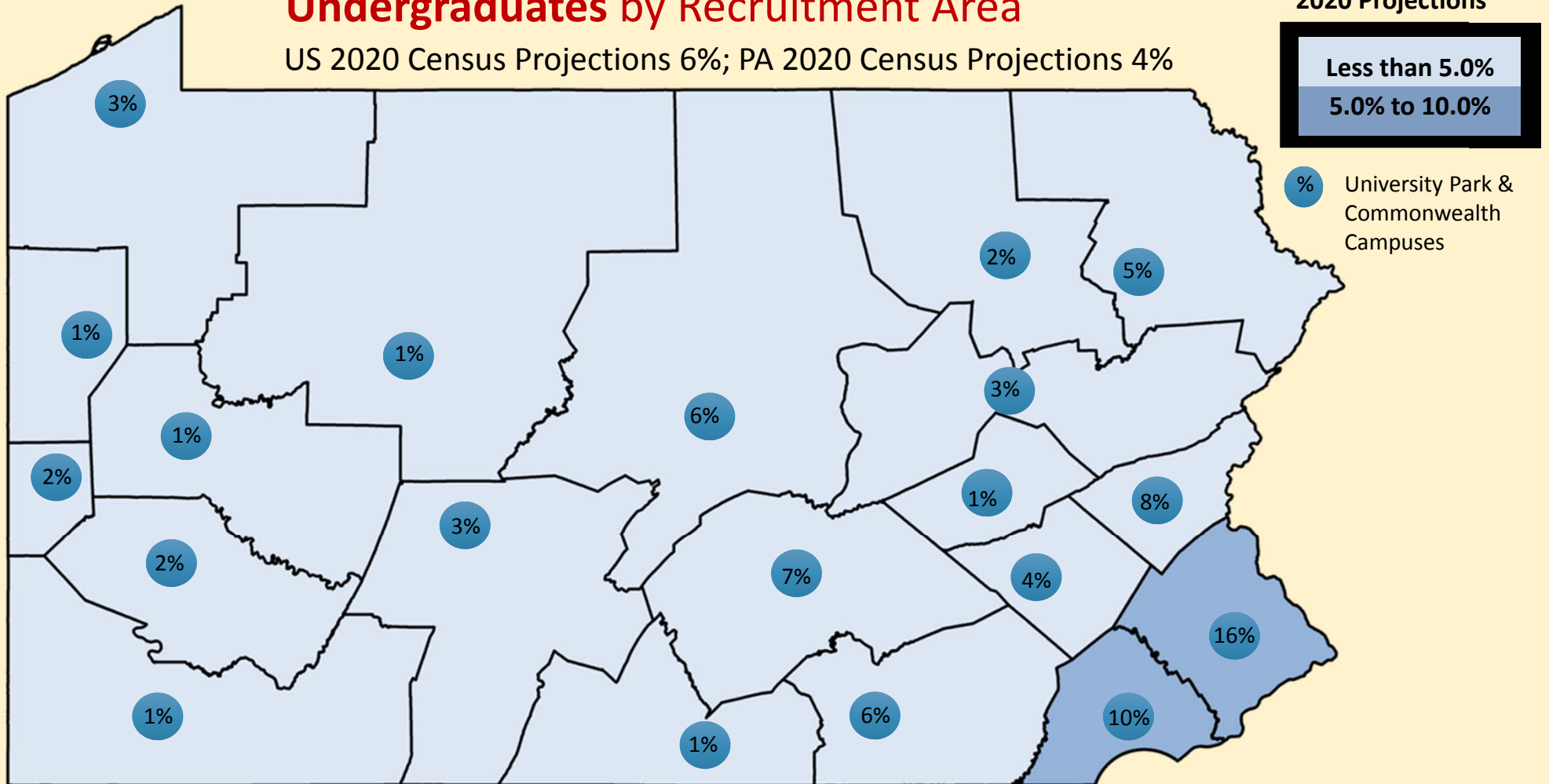
Asian Faculty/Students at Penn State (Fall 2014)



Source: Penn State Fact Book, University Budget Office, 2014

Fall 2014 Percentage of Asian Undergraduates by Recruitment Area

US 2020 Census Projections 6%; PA 2020 Census Projections 4%



Sources: State and County 2020 Population Census Projections by Age, Pennsylvania State Data Center, 2014; Penn State Fact Book, University Budget Office, 2014

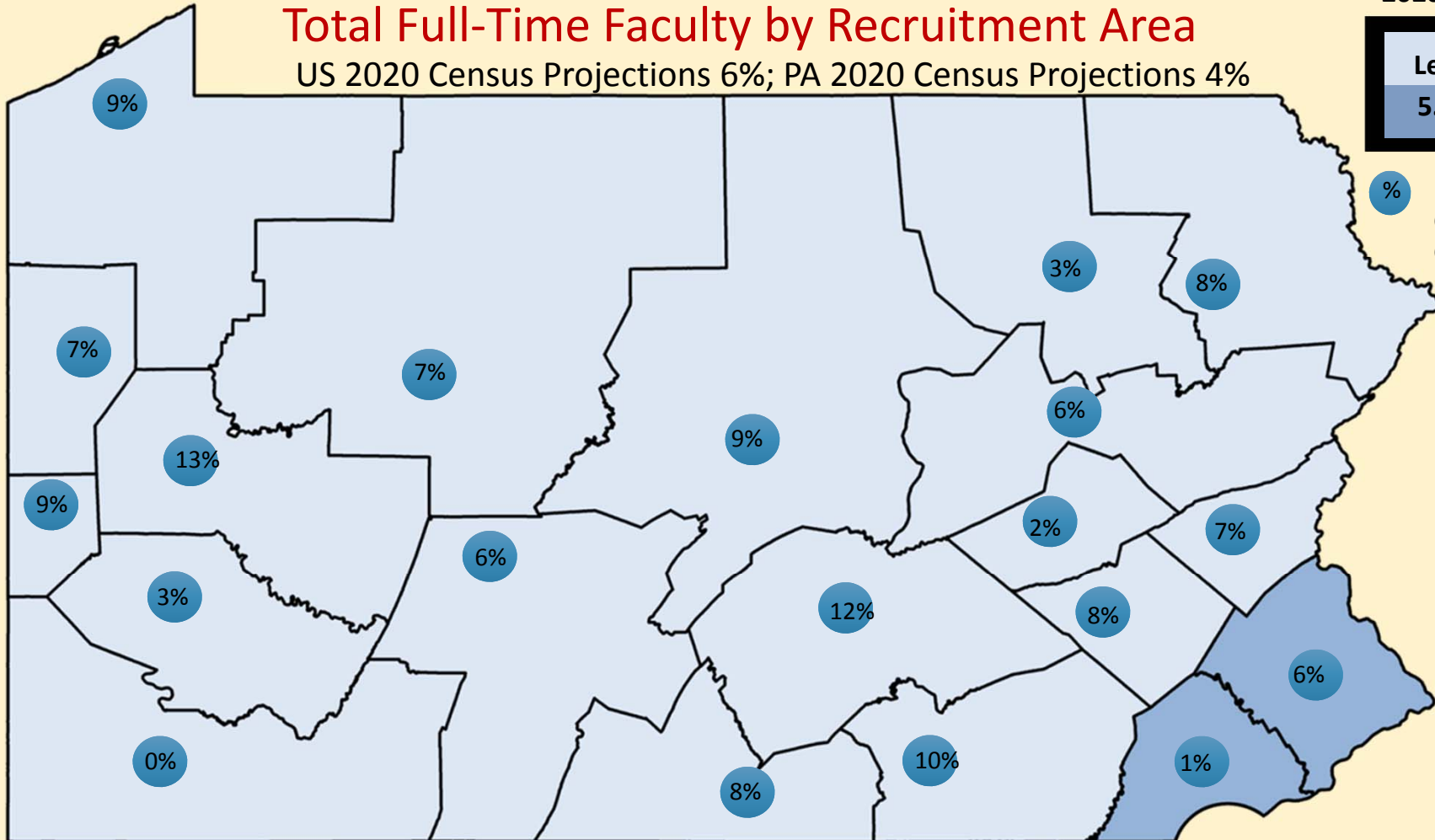
Fall 2014 Asian Full-Time Faculty as a Percentage of Total Full-Time Faculty by Recruitment Area

US 2020 Census Projections 6%; PA 2020 Census Projections 4%

2020 Projections

Less than 5.0%
5.0% to 10.0%

% University Park & Commonwealth Campuses



Sources: State and County 2020 Population Census Projections by Age, Pennsylvania State Data Center, 2014; Penn State Fact Book, University Budget Office, 2014

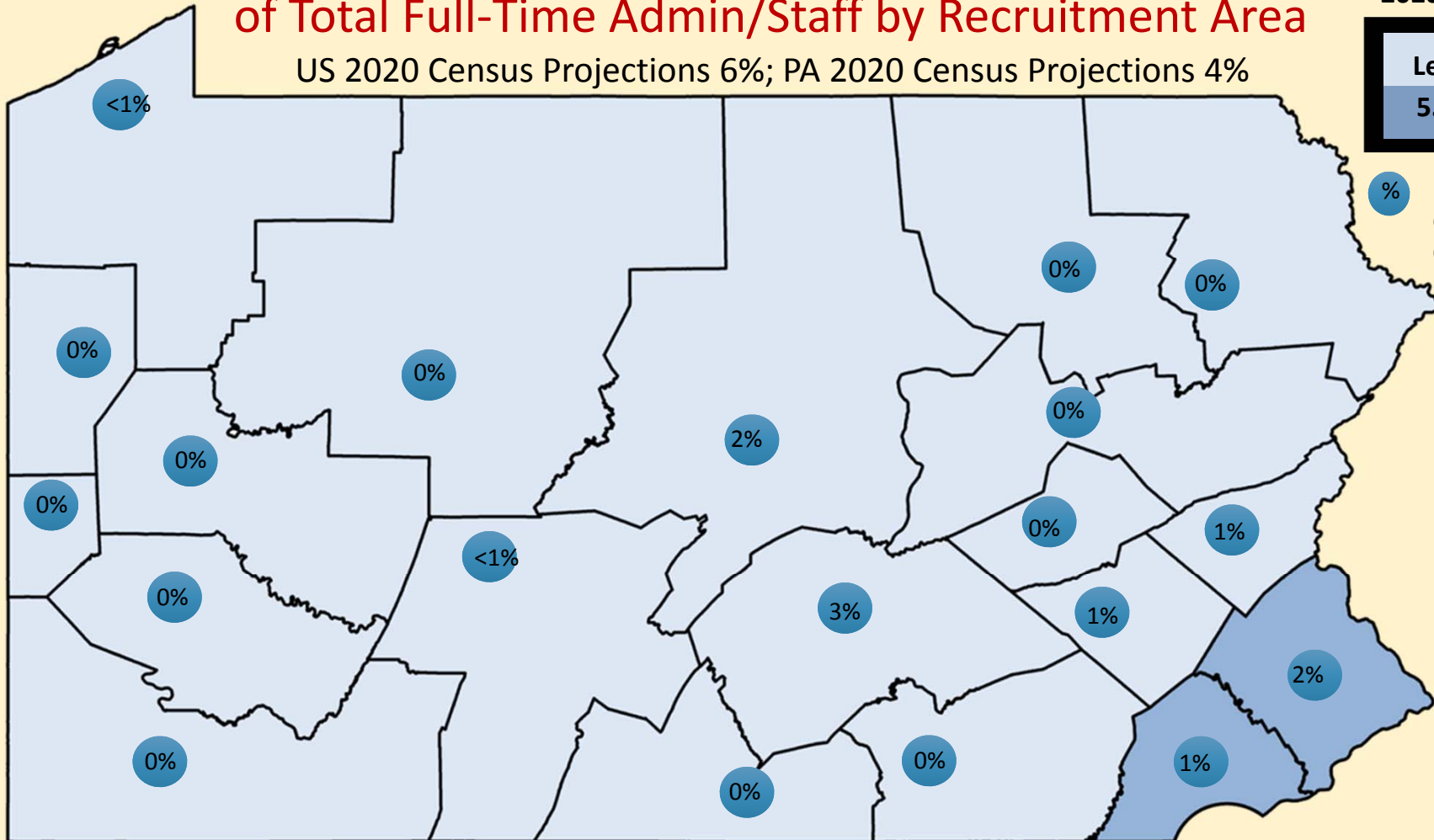
Fall 2014 Asian Full-Time Admin/Staff as a Percentage of Total Full-Time Admin/Staff by Recruitment Area

US 2020 Census Projections 6%; PA 2020 Census Projections 4%

2020 Projections

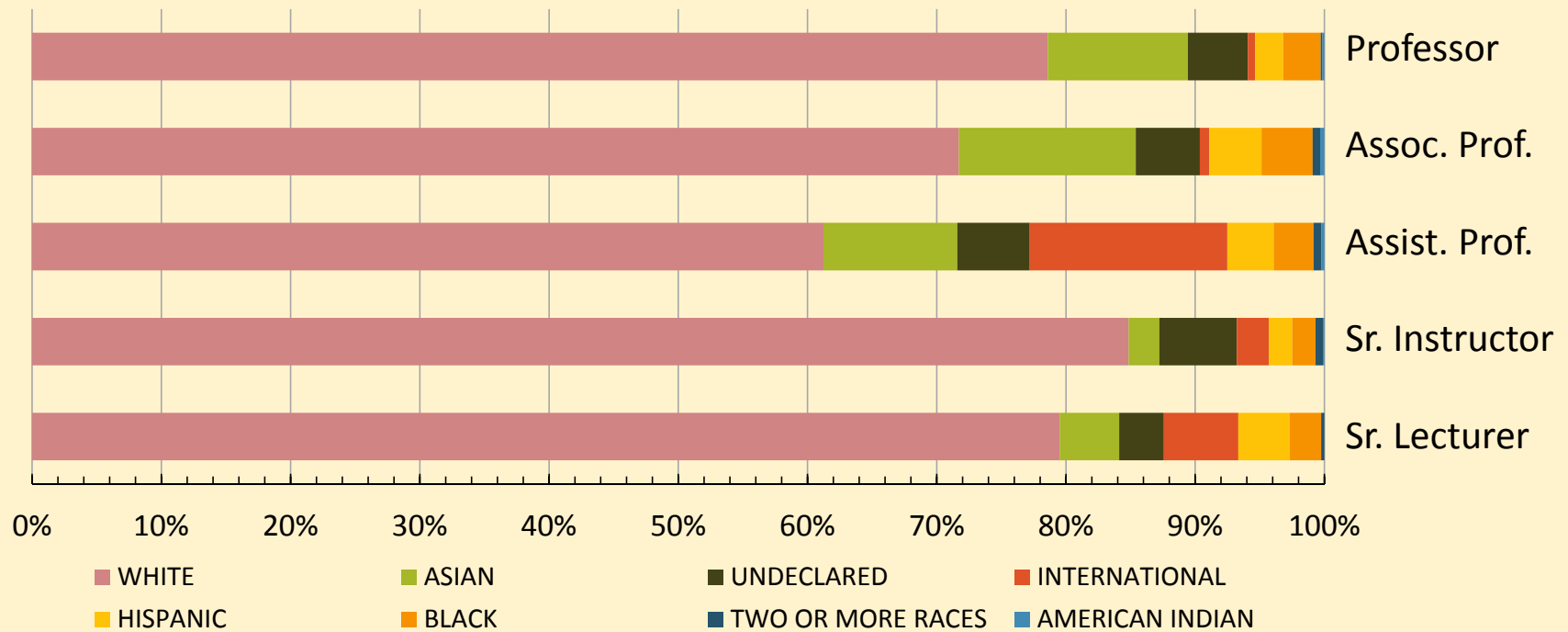
Less than 5.0%
5.0% to 10.0%

% University Park & Commonwealth Campuses



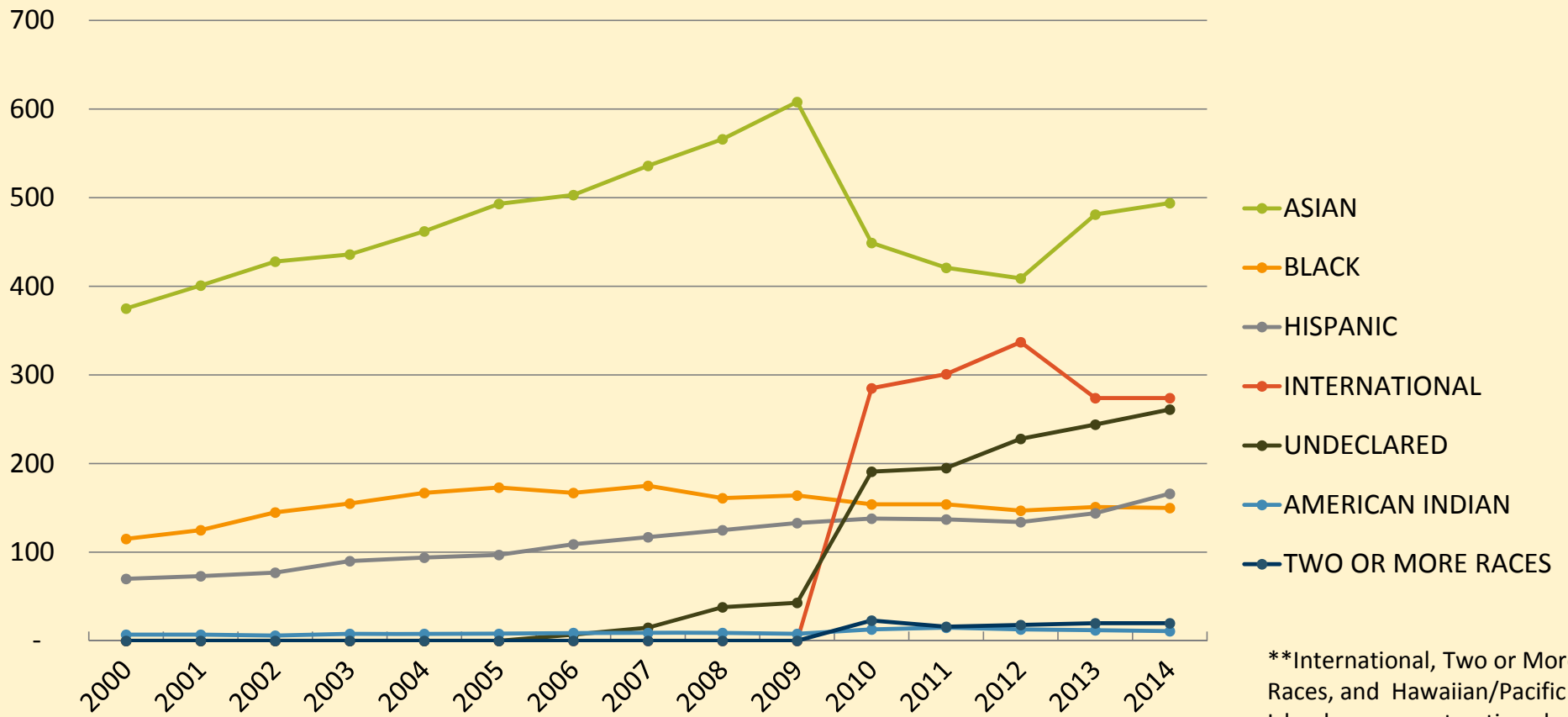
Sources: State and County 2020 Population Census Projections by Age, Pennsylvania State Data Center, 2014; Penn State Fact Book, University Budget Office, 2014

Race/Ethnic Distribution by Academic Rank



Source: Penn State Office of Human Resources, Oct. 2014

Race/Ethnic Distribution Trends – Full Time Faculty



**International, Two or More Races, and Hawaiian/Pacific Islander were not options before 2010

Source: Penn State Office of Human Resources, Oct. 2014

Figure 1: Race/Ethnicity Profile of Undergraduate Students at Penn State (University-wide)

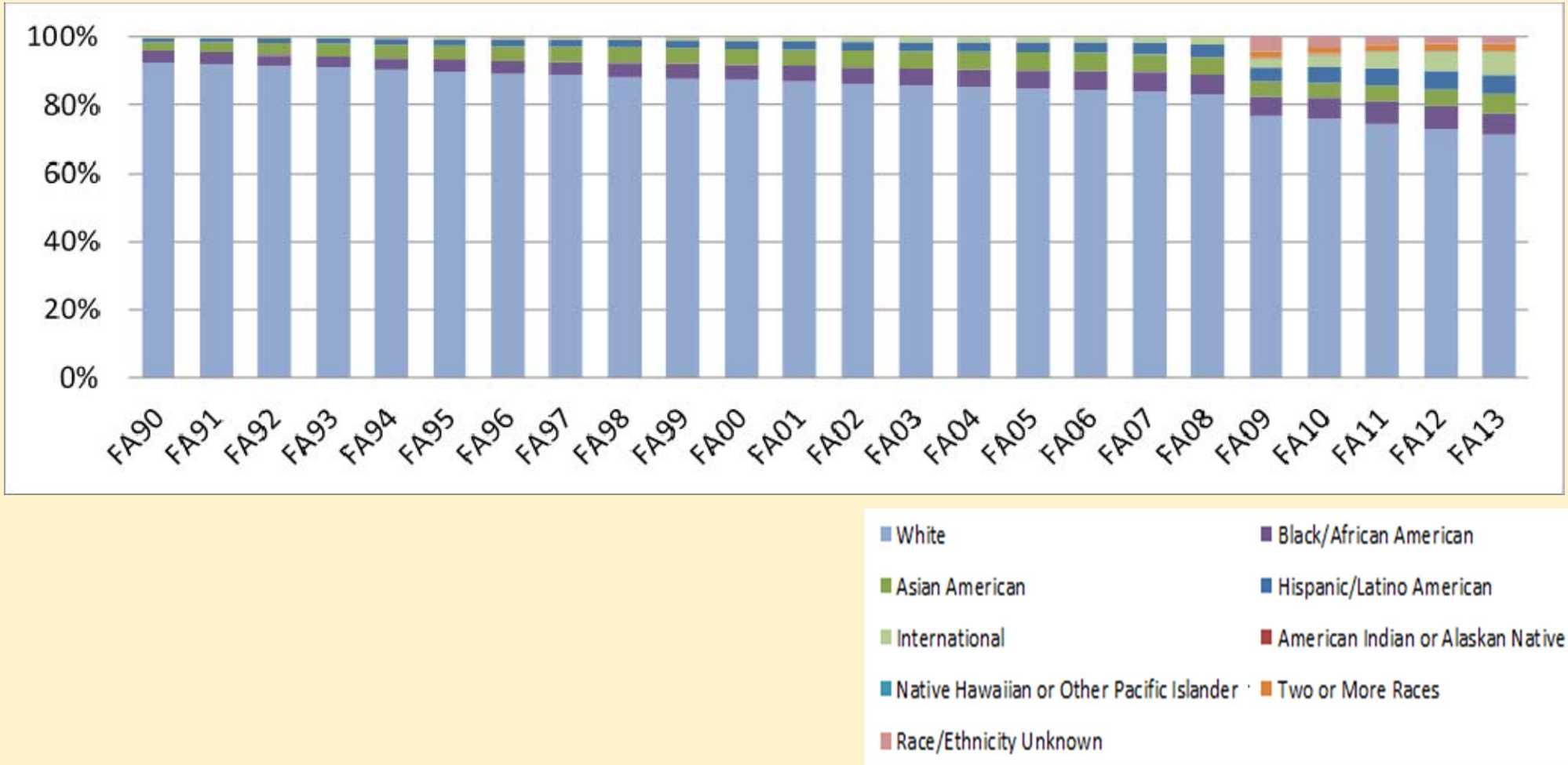


Figure 2: Race/Ethnicity Profile of Undergraduate Students at Penn State (University Park)

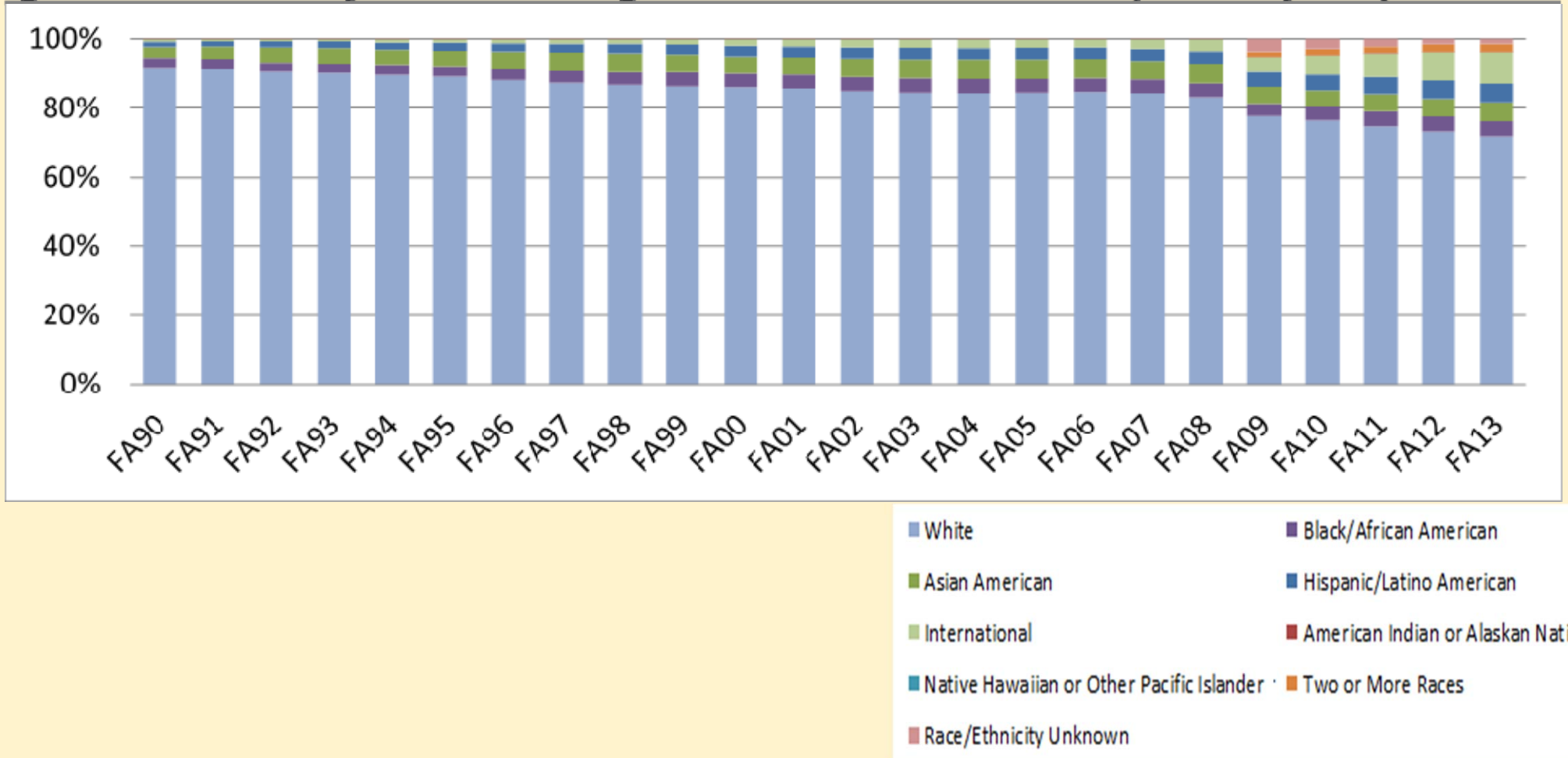
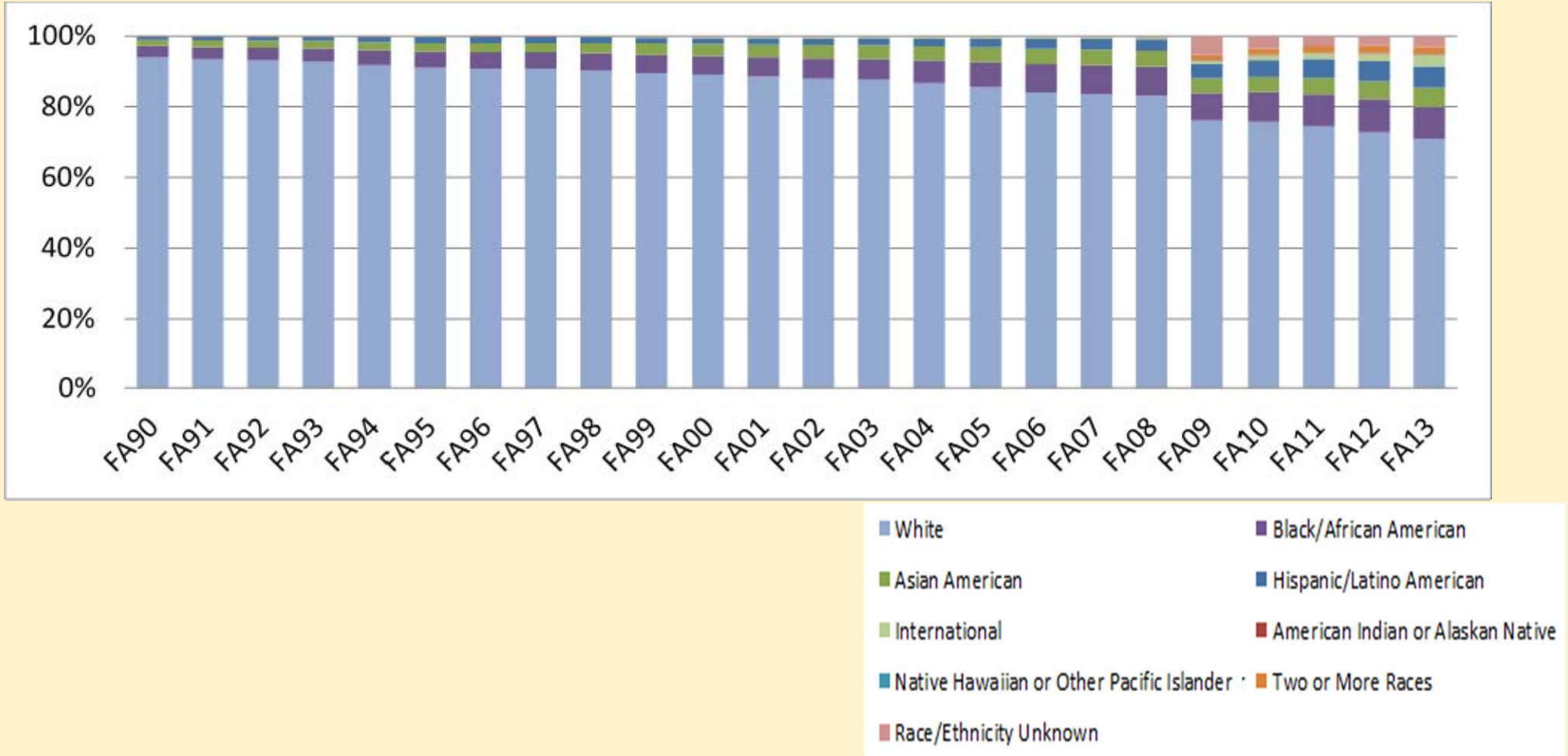


Figure 3: Race/Ethnicity Profile of Undergraduate Students at Penn State (Commonwealth Campuses)



Summary of Data

- Student population does reflect catchment areas
- UP is an exception (broad catchment)
- Student diversity growth has been a long-term process
- Faculty and staff (except Asian faculty) lag population growth and student growth
- Faculty diversity reflects rank (larger numbers in junior ranks – an evolving process)
- Growth in faculty diversity largely Asian and international

Summary of Data

- University stats combined with population projections (declining PA population with increasing diversity, growing US population with increasing diversity, importance of migration into the state) highlight the need for recruitment, retention and the creation of an inclusive environment – for business model, moral imperative and environmental richness

Penn State “A Framework to Foster Diversity”

- 3rd five-year plan from each of the Colleges and Campuses just submitted – under review
- Intentional focus on unit focus and participation
- Opportunity to assess our preparation for the coming decade and beyond

Is it time for a new approach to diversity and inclusion?

- Greater sharing and implementation of best practices
- Focus on accountability
- Greater focus on environment and inclusion
- Greater emphasis on diversity as a strategic initiative

Questions?



Remarks from Provost and Executive Vice President Nicholas P. Jones

Meeting of the Penn State Board of Trustees, The Hershey Lodge, Hershey, PA

March 20, 2015

“Good afternoon. Although my past reports have focused primarily on the academic issues facing our University, today I will put on my hat as Executive Vice President and discuss a management and budgetary issue that rightly has been of some concern for our Trustees and is part of the larger national discussion about the cost of higher education. That is, the growth of administrative positions, which has been dubbed ‘administrative creep,’ and appears to be ancillary to investments in our core academic mission. Given that we’re all committed to putting our resources to good, and mission-focused, use, I’ll share a perspective of how our administration and staff have changed over the last decade.

“At Penn State, we currently have more than 37,000 full and part-time faculty and staff excluding Hershey Medical Center and Penn College, which have separate budgetary lines. Of these, 18,322 are full-time employees. Over the past 10 years, the number of full-time employees has grown by about 2,400 people: 55% in academic units; 23% in academic support units; and 22% in administrative support units. If you dig deeper, you will see significant growth in six areas. In administrative support, growth has been in: Finance and Business; the Physical Plant; and Student Affairs. In academic support, much of the growth has been in Information Technology Services (ITS), Research, and World Campus. Let’s look at each area briefly.

”First, note that our growth parallels that at other colleges and universities; growth that has gained the attention of the federal government, due to its substantial fiscal investment in higher education. In 2013, a bipartisan group of U.S. Senators established a task force of college and university Presidents and chancellors to see what role federal regulation and unfunded mandates play in the growth of staff. Last month, the Task Force on Federal Regulation of Higher Education released its report, which includes an in-depth look at the regulations, results and associated costs. It found that the rate of increase in government-issued regulations has grown significantly in the last five years. According to the data, the number of federal requirements placed on colleges and universities grew by 56 percent between 1997 and 2012. In 2013 and 2014, the U.S. Department of Education released new rules or directives addressing 10 new sets of issues. There are approximately 2,000 pages of text describing the mandates, and the Department of Education issues official guidance to amend or clarify its rules at a rate of more than one document per work day.

“Some of the better known programs are the Clery Act and Title IX; others fall into four broad categories: student financial aid programs; institutional eligibility requirements to participate in federal aid programs; rules surrounding student safety; and disclosures provided to consumers. All of these regulations have translated into the need for additional compliance personnel and legal staff; you can see that is the case at Penn State, exacerbated by the tremendous size and scope of our institution.

“Looking at our employee numbers, you will see an increase of 48 positions in Finance and Business from 2004 to 2014. The departments within Finance and Business that have seen the most growth are: the Central Finance and Business office, Controller’s Office, Police and Public Safety, Office of Ethics and Compliance, and Enterprise Project Management Office. Ethics and Compliance and Enterprise Project Management are both new offices that were created within the past three years and added a total of 14 new staff positions. Twenty positions were created within Police and Public Safety, some related to Clery compliance. The remaining 14 positions were driven in part by regulatory reporting requirements.

“A second area of growth is in the Office of the Physical Plant, which is a unit in Finance and Business. Its staffing has increased by nearly 200 people university-wide. During that same 10-year period, the Physical Plant grew from 26 million to 32 million gross square feet. Much of this space has been for labs and complex research environments that require specialized care. The Millennium Sciences Complex alone is nearly 300,000 gross square feet. We also added an Arboretum, moved

Penn State Lehigh Valley to a larger campus, and have focused on reducing our deferred maintenance backlog.

“The last administrative area that has seen strong growth is Student Affairs, which added 47 positions—20 of those related to student health and CAPS. During this same period, Penn State has increased the student body by about 14,000 students, bringing our total to more than 96,000 students. In addition, today’s students come to college with significantly more than the desk lamp and suitcase that many of us carried. Some students require special medical and mental health services; an increasing proportion are adult learners or returning veterans who may require additional support; others benefit from additional orientation; and enhanced programming provides the engagement opportunities that are central to student success. Notably, 15 of the new positions are related to Activities and Union Operations.

“Turning to Academic Support Units, let’s look at Information Technology Services. We now have 102 more ITS employees than we did in 2004, which was practically the dark ages in computer time. In 2004, we were still three years away from the 1st generation iPhone, and ANGEL was on its way to becoming the most heavily used course management system in higher education. The people who keep that running smoothly all semester are worth their weight in gold. In addition, in 2004, we were ramping up our campus technology classrooms, and incorporating new technologies in library science, which also saw a bump in personnel. All of this technology requires continual maintenance and upgrades. ANGEL will be replaced, and students expect apps for their iPhone 6’s!

“Our research operation has added 165 positions; 19 of these positions are directly related to research compliance in the Office of Research Protections, bringing the total to 31 positions. Other additions are in the Applied Research Lab, along with research assistants and staff to accommodate the 35 percent increase in research awards. In 2004, Penn State research expenditures were \$606.5 million; last year they topped \$813 million.

“Finally, you can see 167 additional positions at the World Campus, which is part of Penn State Outreach and Online Education. But consider that in the 2004-05 academic year, the World Campus enrolled just over 1,000 students, and this year, World Campus enrollment is nearly 11,000 students.

“A quick look at this list shows 26 new positions in Development and Alumni Relations, many related to the successful *Campaign for Penn State Students*. Auxiliary and Business Services added 96 people and Intercollegiate Athletics added 84. Those units are self-supporting, so no tuition or state appropriation funds those positions. The Office of the President has added staffing for legal counsel, which formerly was contracted externally, as well as ITS and HR personnel to support several offices. In short, we have invested in ways that improve our current and future competitiveness in research and education, and provided needed student support. This also drives revenue growth, through World Campus, competitive grants and fund raising, for example. And of course, there is a component related to compliance resulting from a wide variety of generally unfunded government mandates and requirements.

“To summarize, this chart describes the administrative and staff growth compared to academic and enrollment growth. As you can see, the number of faculty and non-academic positions indicate that there are fewer people on a per student basis serving our larger student body. We did this while trimming and reallocating \$305 million from the operating budget through unit recycling over the last 25 years. This process allowed us to continuously redirect investment to areas of evolving and emerging programmatic need. Nevertheless, we need to place more emphasis on direct faculty needs. And, we must do more to produce cost efficiencies.

“We have begun a major strategic organizational process review to further enhance our educational, scholarly and creative endeavors, as well as service. We have three main goals:

1. Improve the design, oversight and effectiveness of organizational processes;
2. Move toward better integration and harmonization of institutional processes; and

3. Implement strategies for continuous institutional assessment, improvement and innovation.

“We believe that this initiative will allow us to make additional targeted budgetary and efficiency improvements. We’re committed to fiscal discipline, and to eliminating functions that we can do without. But we must continue to invest strategically in Penn State to ensure that we can serve our constituents in an effective and responsible manner. I look forward to continuing this discussion with the Finance, Business and Capital Planning Committee in May.

“Thank you. Now I can take a few questions.”



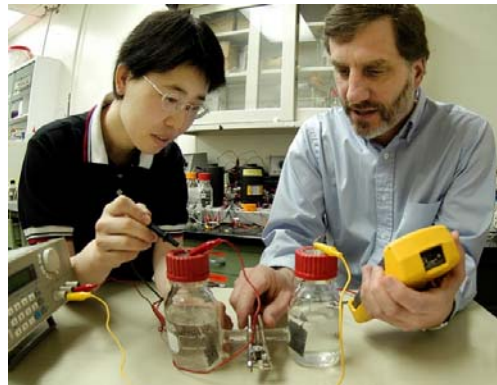
Provost's Report

Nicholas P. Jones

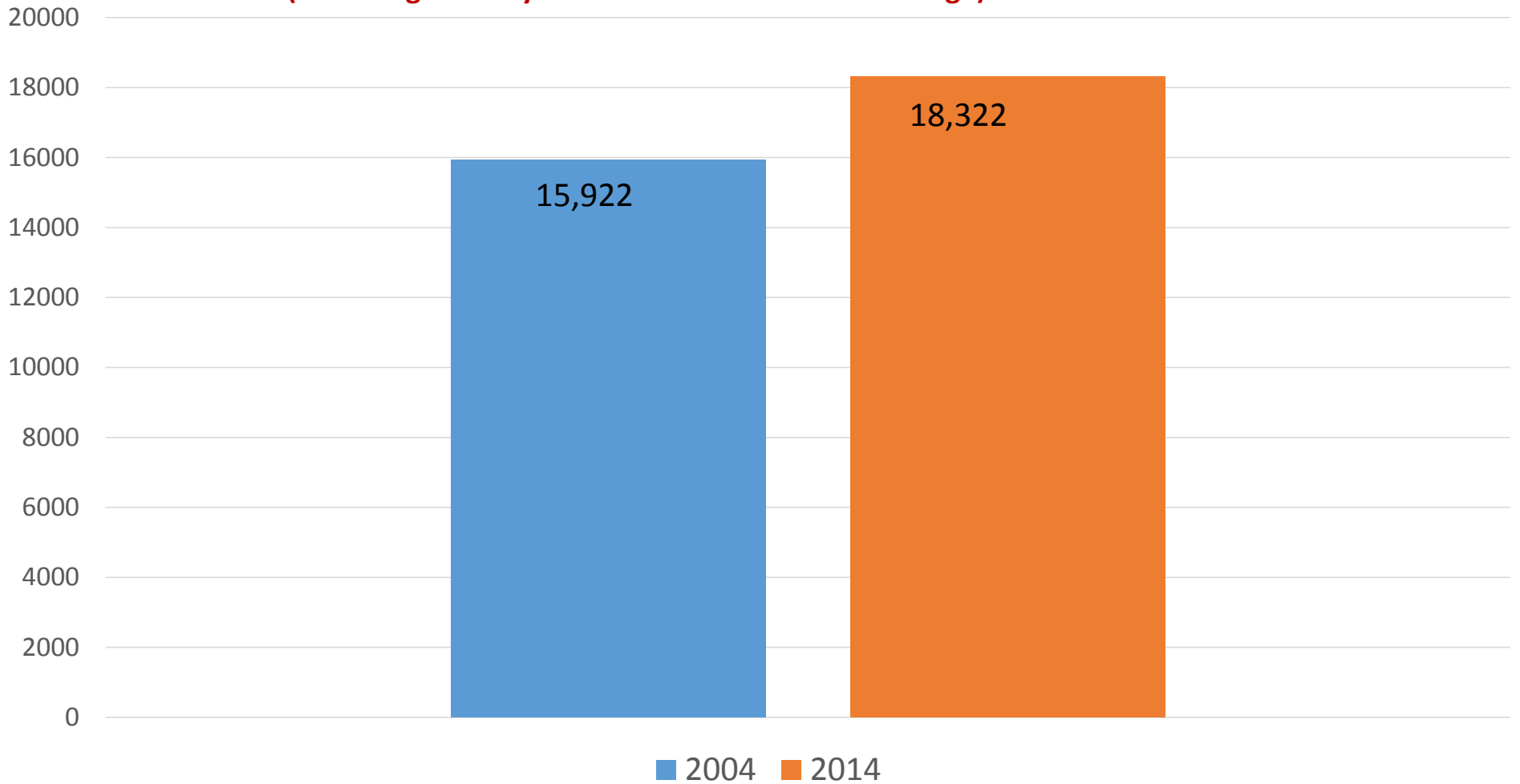
Board of Trustees

March 20, 2015





Penn State Full-Time Employees **(excluding Hershey Medical Center and Penn College)**



Areas of Significant Employee Growth

Administrative Support

- Finance and Business
- Physical Plant
- Student Affairs


Academic Support

- Information Technology Services (ITS)
- Research
- World Campus



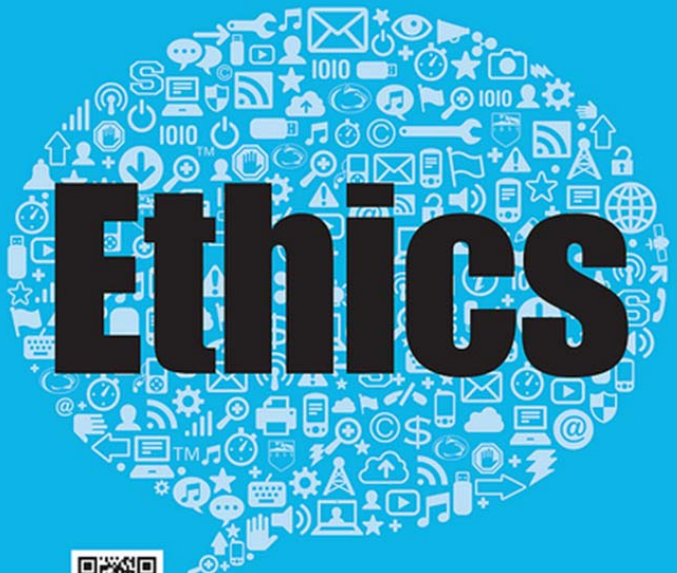
“The number of federal requirements placed on colleges and universities grew by 56 percent between 1997 and 2012.”


-Mercatus Center, George Mason University



At Penn State, we believe our employees should be able to voice their concerns about workplace issues—financial matters such as fraud, theft of University assets, or conflicts of interest; and other misconduct or violations of University policy, including research compliance matters, discrimination, or athletics-compliance issues. With the independent **Financial and Compliance Hotline and Website** you can—24 hours a day, seven days a week. All reports can be anonymous so you can help to maintain an ethical workplace without fear of retaliation.

If you witness questionable activity in the workplace, contact us.

A large graphic of the word "Ethics" in a bold, black, sans-serif font. The letters are filled with a dense pattern of small, white icons representing various concepts like communication, technology, and ethics. The background of the graphic is a light blue circle.

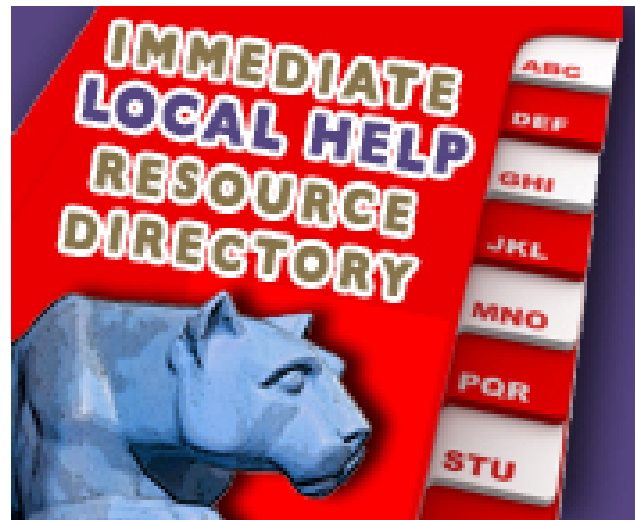
A square QR code located below the "Ethics" graphic.

Do the right thing. Report your concerns.
www.mycompliancereport.com/brand/psu 1-800-560-1637

This publication is available in alternative media on request. Penn State is committed to affirmative action, equal opportunity, and the diversity of its workforce. MPC119385




Presented by Sandra Schuster, J.D. and W. Scott Lewis, J.D.

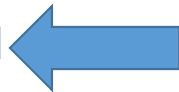


**Finance and
Business**
+48



**Comparison of Full-Time Employee Headcounts
All Funds**

	Difference 2004 vs 2014				
	Admin	Acad	Staff	T/S	Total
Academic Support Units					
Graduate School	1	-1	14	0	14
Information Technology Services	-1	-3	95	11	102
International Affairs - School	0	7	2	0	9
Undergraduate Education	2	0	35	0	37
Global Programs	1	2	19	0	22
Research	-5	-26	199	-3	165
Schreyer Honors College	2	0	6	0	8
University Libraries	0	15	5	-1	19
University Outreach	-1	-14	35	-5	15
World Campus	1	3	163	0	167
Sub-Total Academic Support Units	0	-17	573	2	558
Administrative Support Units					
Development and Alumni Relations	4	0	22	0	26
Educational Equity	0	0	-12	0	-12
Finance and Business	1	0	50	-3	48
Auxiliary & Business Services	1	0	51	44	96
Physical Plant	2	0	80	109	191
Office of the President	2	2	31	0	35
Intercollegiate Athletics/Ath Rec Serv	1	-38	127	-6	84
Student Affairs	0	0	45	2	47
University Budget Office	-1	0	-6	0	-7
Office of Strategic Communications	1	0	6	0	7
Sub-Total Administrative Support Units	11	-36	394	146	515
Great Valley	-1	-6	-24	-3	-34
Dickinson Schools of Law of the Penn State Univer	8	20	9	-5	32
Sub-Total (excluding HY)	31	494	1220	148	1893
College of Medicine	0	451	61	-5	507
Total University (Excluding Hershey Medical Center and Penn College)	31	945	1281	143	2400





Physical Plant

+191



Comparison of Full-Time Employee Headcounts All Funds

	Difference 2004 vs 2014				
	Admin	Acad	Staff	T/S	Total
Academic Support Units					
Graduate School	1	-1	14	0	14
Information Technology Services	-1	-3	95	11	102
International Affairs - School	0	7	2	0	9
Undergraduate Education	2	0	35	0	37
Global Programs	1	2	19	0	22
Research	-5	-26	199	-3	165
Schreyer Honors College	2	0	6	0	8
University Libraries	0	15	5	-1	19
University Outreach	-1	-14	35	-5	15
World Campus	1	3	163	0	167
Sub-Total Academic Support Units	0	-17	573	2	558
Administrative Support Units					
Development and Alumni Relations	4	0	22	0	26
Educational Equity	0	0	-12	0	-12
Finance and Business	1	0	50	-3	48
Auxiliary & Business Services	1	0	51	44	96
Physical Plant	2	0	80	109	191
Office of the President	2	2	31	0	35
Intercollegiate Athletics/Ath Rec Serv	1	-38	127	-6	84
Student Affairs	0	0	45	2	47
University Budget Office	-1	0	-6	0	-7
Office of Strategic Communications	1	0	6	0	7
Sub-Total Administrative Support Units	11	-36	394	146	515
Great Valley	-1	-6	-24	-3	-34
Dickinson Schools of Law of the Penn State Univer	8	20	9	-5	32
Sub-Total (excluding HY)	31	494	1220	148	1893
College of Medicine	0	451	61	-5	507
Total University (Excluding Hershey Medical Center and Penn College)	31	945	1281	143	2400





Student Affairs

+47



Comparison of Full-Time Employee Headcounts All Funds

	Difference 2004 vs 2014				
	Admin	Acad	Staff	T/S	Total
Academic Support Units					
Graduate School	1	-1	14	0	14
Information Technology Services	-1	-3	95	11	102
International Affairs - School	0	7	2	0	9
Undergraduate Education	2	0	35	0	37
Global Programs	1	2	19	0	22
Research	-5	-26	199	-3	165
Schreyer Honors College	2	0	6	0	8
University Libraries	0	15	5	-1	19
University Outreach	-1	-14	35	-5	15
World Campus	1	3	163	0	167
Sub-Total Academic Support Units	0	-17	573	2	558
Administrative Support Units					
Development and Alumni Relations	4	0	22	0	26
Educational Equity	0	0	-12	0	-12
Finance and Business	1	0	50	-3	48
Auxiliary & Business Services	1	0	51	44	96
Physical Plant	2	0	80	109	191
Office of the President	2	2	31	0	35
Intercollegiate Athletics/Ath Rec Serv	1	-38	127	-6	84
Student Affairs	0	0	45	2	47
University Budget Office	-1	0	-6	0	-7
Office of Strategic Communications	1	0	6	0	7
Sub-Total Administrative Support Units	11	-36	394	146	515
Great Valley	-1	-6	-24	-3	-34
Dickinson Schools of Law of the Penn State Univer	8	20	9	-5	32
Sub-Total (excluding HY)	31	494	1220	148	1893
College of Medicine	0	451	61	-5	507
Total University (Excluding Hershey Medical Center and Penn College)	31	945	1281	143	2400





Information Technology Services **+102**



Comparison of Full-Time Employee Headcounts All Funds

	Difference 2004 vs 2014				
	Admin	Acad	Staff	T/S	Total
Academic Support Units					
Graduate School	1	-1	14	0	14
Information Technology Services	-1	-3	95	11	102
International Affairs - School	0	7	2	0	9
Undergraduate Education	2	0	35	0	37
Global Programs	1	2	19	0	22
Research	-5	-26	199	-3	165
Schreyer Honors College	2	0	6	0	8
University Libraries	0	15	5	-1	19
University Outreach	-1	-14	35	-5	15
World Campus	1	3	163	0	167
Sub-Total Academic Support Units	0	-17	573	2	558
Administrative Support Units					
Development and Alumni Relations	4	0	22	0	26
Educational Equity	0	0	-12	0	-12
Finance and Business	1	0	50	-3	48
Auxiliary & Business Services	1	0	51	44	96
Physical Plant	2	0	80	109	191
Office of the President	2	2	31	0	35
Intercollegiate Athletics/Ath Rec Serv	1	-38	127	-6	84
Student Affairs	0	0	45	2	47
University Budget Office	-1	0	-6	0	-7
Office of Strategic Communications	1	0	6	0	7
Sub-Total Administrative Support Units	11	-36	394	146	515
Great Valley	-1	-6	-24	-3	-34
Dickinson Schools of Law of the Penn State Univer	8	20	9	-5	32
Sub-Total (excluding HY)	31	494	1220	148	1893
College of Medicine	0	451	61	-5	507
Total University (Excluding Hershey Medical Center and Penn College)	31	945	1281	143	2400





**Comparison of Full-Time Employee Headcounts
All Funds**

Research

+165



Difference 2004 vs 2014				
Admin	Acad	Staff	T/S	Total

Academic Support Units

Graduate School	1	-1	14	0	14
Information Technology Services	-1	-3	95	11	102
International Affairs - School	0	7	2	0	9
Undergraduate Education	2	0	35	0	37
Global Programs	1	2	19	0	22
Research	-5	-26	199	-3	165
Schreyer Honors College	2	0	6	0	8
University Libraries	0	15	5	-1	19
University Outreach	-1	-14	35	-5	15
World Campus	1	3	163	0	167



Sub-Total Academic Support Units

0	-17	573	2	558
---	-----	-----	---	-----

Administrative Support Units

Development and Alumni Relations	4	0	22	0	26
Educational Equity	0	0	-12	0	-12
Finance and Business	1	0	50	-3	48
Auxiliary & Business Services	1	0	51	44	96
Physical Plant	2	0	80	109	191
Office of the President	2	2	31	0	35
Intercollegiate Athletics/Ath Rec Serv	1	-38	127	-6	84
Student Affairs	0	0	45	2	47
University Budget Office	-1	0	-6	0	-7
Office of Strategic Communications	1	0	6	0	7

Sub-Total Administrative Support Units

11	-36	394	146	515
----	-----	-----	-----	-----

Great Valley	-1	-6	-24	-3	-34
Dickinson Schools of Law of the Penn State Univer	8	20	9	-5	32

Sub-Total (excluding HY)

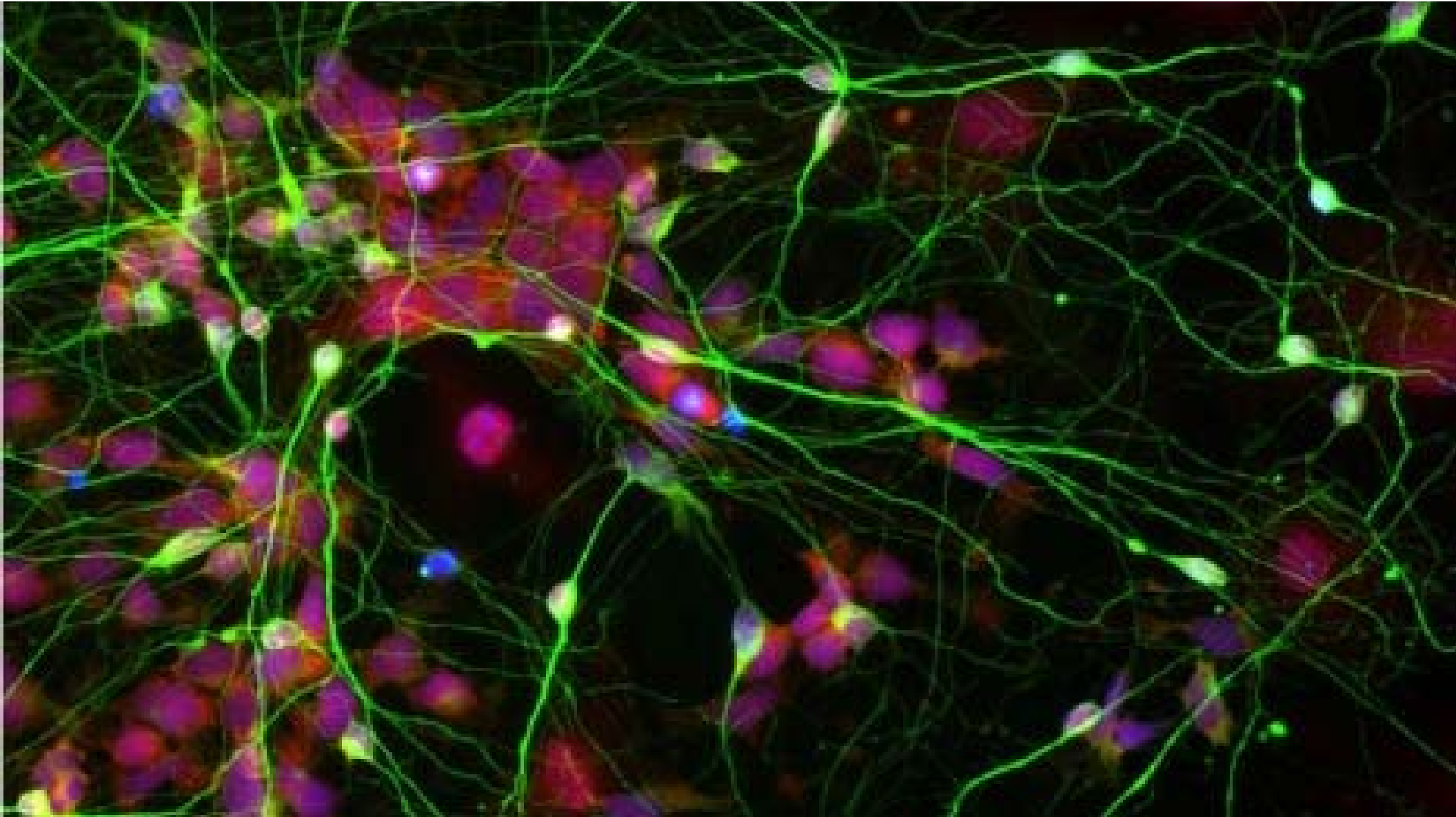
31	494	1220	148	1893
----	-----	------	-----	------

College of Medicine

0	451	61	-5	507
---	-----	----	----	-----

Total University (Excluding Hershey Medical Center and Penn College)

31	945	1281	143	2400
----	-----	------	-----	------



The World Campus

+167



Comparison of Full-Time Employee Headcounts All Funds

	Difference 2004 vs 2014				
	Admin	Acad	Staff	T/S	Total
Academic Support Units					
Graduate School	1	-1	14	0	14
Information Technology Services	-1	-3	95	11	102
International Affairs - School	0	7	2	0	9
Undergraduate Education	2	0	35	0	37
Global Programs	1	2	19	0	22
Research	-5	-26	199	-3	165
Schreyer Honors College	2	0	6	0	8
University Libraries	0	15	5	-1	19
University Outreach	-1	-14	35	-5	15
World Campus	1	3	163	0	167
Sub-Total Academic Support Units	0	-17	573	2	558
Administrative Support Units					
Development and Alumni Relations	4	0	22	0	26
Educational Equity	0	0	-12	0	-12
Finance and Business	1	0	50	-3	48
Auxiliary & Business Services	1	0	51	44	96
Physical Plant	2	0	80	109	191
Office of the President	2	2	31	0	35
Intercollegiate Athletics/Ath Rec Serv	1	-38	127	-6	84
Student Affairs	0	0	45	2	47
University Budget Office	-1	0	-6	0	-7
Office of Strategic Communications	1	0	6	0	7
Sub-Total Administrative Support Units	11	-36	394	146	515
Great Valley	-1	-6	-24	-3	-34
Dickinson Schools of Law of the Penn State Univer	8	20	9	-5	32
Sub-Total (excluding HY)	31	494	1220	148	1893
College of Medicine	0	451	61	-5	507
Total University (Excluding Hershey Medical Center and Penn College)	31	945	1281	143	2400



PENNSSTATE



World Campus

Other Areas of Growth



Comparison of Full-Time Employee Headcounts All Funds

	Difference 2004 vs 2014				
	Admin	Acad	Staff	T/S	Total
Academic Support Units					
Graduate School	1	-1	14	0	14
Information Technology Services	-1	-3	95	11	102
International Affairs - School	0	7	2	0	9
Undergraduate Education	2	0	35	0	37
Global Programs	1	2	19	0	22
Research	-5	-26	199	-3	165
Schreyer Honors College	2	0	6	0	8
University Libraries	0	15	5	-1	19
University Outreach	-1	-14	35	-5	15
World Campus	1	3	163	0	167
Sub-Total Academic Support Units	0	-17	573	2	558
Administrative Support Units					
Development and Alumni Relations	4	0	22	0	26
Educational Equity	0	0	-12	0	-12
Finance and Business	1	0	50	-3	48
Auxiliary & Business Services	1	0	51	44	96
Physical Plant	2	0	80	109	191
Office of the President	2	2	31	0	35
Intercollegiate Athletics/Ath Rec Serv	1	-38	127	-6	84
Student Affairs	0	0	45	2	47
University Budget Office	-1	0	-6	0	-7
Office of Strategic Communications	1	0	6	0	7
Sub-Total Administrative Support Units	11	-36	394	146	515
Great Valley	-1	-6	-24	-3	-34
Dickinson Schools of Law of the Penn State Univer	8	20	9	-5	32
Sub-Total (excluding HY)	31	494	1220	148	1893
College of Medicine	0	451	61	-5	507
Total University (Excluding Hershey Medical Center and Penn College)	31	945	1281	143	2400





Ratios-Administrative Growth Compared to Academic and Enrollment Growth-Headcount

Total University (Excluding Penn College, College of Medicine and Hershey Medical Center (all Funds))

		Fall 2004		Fall 2014
Academic/Administrative*		16.49		16.43
Staff/Academic		1.72		1.80
Student/Academic		16.63		17.98
Student/Non-Academic**		7.23		7.64

*Administrative=Executive, Administrator, Academic Administrator; ** Non Acad.-Exec., Admin., Acad. Admin., Staff and Tech-Service



**Koraly Perez-Edgar,
researcher, Psychology**



**Andy Belser discusses his "Face.Age" project
in the Arts and Design Research Incubator**



**Vasant Honavar, professor & Edward
Frymoyer Chair, IST**



**Farshad
Rajabipour,
in the Civil
Infrastructure
Testing and
Evaluation
Lab.**

Organizational Processes Review

1. Improve the design, oversight and effectiveness of organizational processes.
2. Move toward integrated processes.
3. Implement strategies for continuous institutional assessment, improvement and innovation.



Thank you

2015–2016

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

- Housing Capacities Fall 2015
- Academic Year Occupancy Percentages
- 2014–2015 Comparison Room and Board Rates
- Budget Planning Factors for 2015–2016
- Expense Increases for 2015–2016
- Double Room and Meal Plan 3 Rate 2009–2016
- Proposed Room and Board Rates 2015–2016

Housing Capacities Fall 2015

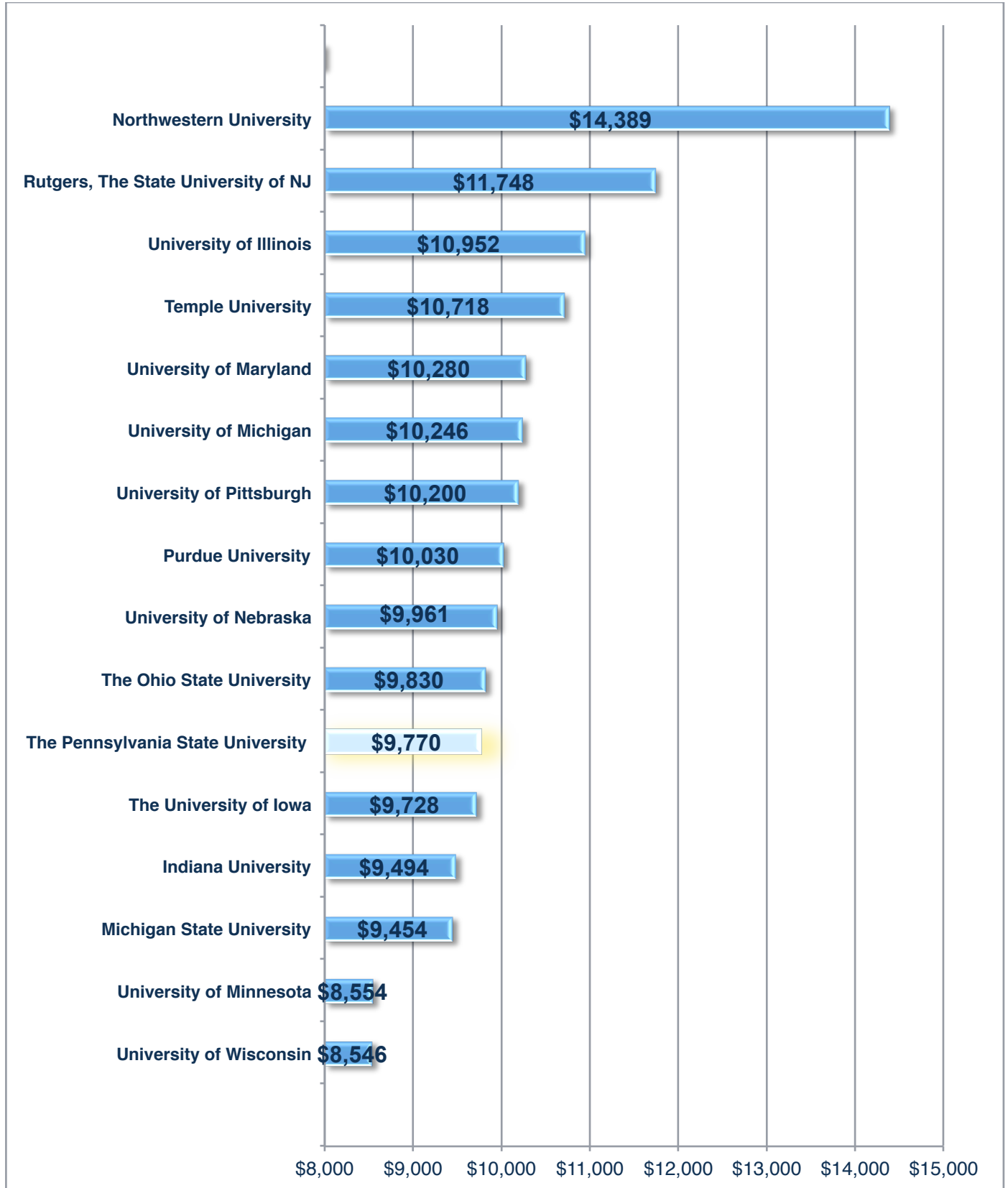
	Undergraduate Halls	Single Student Apts.	Subtotal	University Apts.	Total
University Park	13,517	300	13,817	124	13,941
Altoona	901		901		901
Beaver	211		211		211
Berks	805		805		805
Erie	1,368	283	1,651		1,651
Greater Allegheny	210		210		210
Harrisburg	99	332	431		431
Hazleton	455		455		455
Mont Alto	438		438		438
TOTAL	18,004	915	18,919	124	19,043

Academic Year Occupancy Percentages

	10–11	11–12	12–13	13–14	14–15 <i>est.</i>
University Park					
Single Student Housing	103.0	102.3	103.3	104.9	102.0
Apartments	95.2	97.0	85.4	96.2	94.0
Altoona	98.7	100.5	100.2	101.6	99.0
Beaver	82.0	89.5	74.3	75.7	73.0
Berks	99.2	99.4	97.3	96.9	96.0
Erie	99.7	98.5	99.1	97.9	98.0
Greater Allegheny	93.7	91.0	79.0	74.9	63.0
Harrisburg	98.9	98.7	96.7	98.9	97.0
Hazleton	100.5	100.7	99.0	94.1	76.0
Mont Alto	91.8	87.9	70.4	60.6	56.0

2014–2015 Comparison Room and Board Rates

Double Room and Board



Budget Planning Factors for 2015–2016

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 2015–2016 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 2015-2016 are expected to increase by 2.9 percent. This is less than the CPI, estimated to be 3.1 percent, and is primarily due to contracts negotiated directly with vendors and the consolidation of foods purchasing for the majority of venues.

Salaries and Wages

Monies are included for anticipated inflationary increases for staff and technical service employees.

Utilities and Other Operating Expenses

Utility rates are expected to rise by 4.18 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 3.55 percent, from \$302.50 to \$313.25 per student per semester. This increase will generate an additional \$500,000 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 \$2,266,000.

University Overhead

The budget provides \$7,853,000 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 2015–2016.

PROPERTY EXPENSES

Debt Service

The annual debt service for 2015–2016 will be \$29,992,000.

Deferred Maintenance and Facility Renewal

In total, this budget provides \$37,246,000 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, schematic drawings, and cost estimating to further the plans for

- new housing at Abington and Brandywine
- new food services at Brandywine
- new housing at University Park in North and East Halls
- renovations to Findlay Dining Commons at University Park
- renovations to the residence halls in East 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 3.89 percent more for room and board in 2015–2016. The recommended rate increases for housing, food services, and conferences at Penn State University Park and the campuses will generate the required \$7,757,000 in additional income.

Expense Increases for 2015–2016

	<u>2014–2015</u> <u>% of Budget</u>	<u>2015–2016</u> <u>% of Budget</u>	<u>2014–2015</u> <u>Budget</u>	<u>2015–2016</u> <u>Increase</u>	<u>2015–2016</u> <u>Proposed</u>
Food Costs	13.9%	13.8%	\$27,717,000	\$804,000	\$28,521,000
Payroll & Related	24.3%	24.5%	48,502,000	\$2,284,000	\$50,786,000
Utilities	9.4%	9.4%	18,652,000	\$780,000	\$19,432,000
Other Operating Expenses	15.0%	15.0%	30,030,000	\$990,000	\$31,020,000
HFS Admin. & Support	1.1%	1.1%	2,200,000	\$66,000	\$2,266,000
University Overhead	3.8%	3.8%	7,563,000	\$290,000	\$7,853,000
Property	32.5%	32.4%	64,813,000	\$2,543,000	\$67,356,000
TOTAL EXPENSE	100.0%	100.0%	\$199,477,000	\$7,757,000	\$207,234,000

Double Room and Meal Plan 3 Rate 2009–2016

Year	Semester Rate	Semester Increase	Percent Increase
2009–10	\$4,085	\$250	6.52%
2010–11	\$4,185	\$100	2.45%
2011–12	\$4,370	\$185	4.42%
2012–13	\$4,495	\$125	2.86%
2013–14	\$4,685	\$190	4.23%
2014–15	\$4,885	\$200	4.27%
2015–16	\$5,075	\$190	3.89%

Proposed Room and Board Rates 2015–2016

The Pennsylvania State University

Effective Fall 2015

Undergraduate Residence Hall Room

Rates/Person/Semester

(Meal Plan Required)

Room Description	Number of Occupants	Current Rate	Proposed Rate	Proposed Increase
Standard Double	2	\$2,730	\$2,860	\$130
Standard Double/Bath	2	2,880	3,010	130
Renovated Double	2	2,955	3,100	145
Small Double	2	2,045	2,145	100
Triple	3	2,455	2,575	120
Triple/Bath	3	2,730	2,860	130
Quad	4	2,455	2,575	120
Quad/Bath	4	2,730	2,860	130
Quad as Triple	3	2,730	2,860	130
Standard Single	1	3,715	3,900	185
Standard Single/Bath	1	3,780	3,975	195
Renovated Single	1	3,780	3,975	195
Eastview Single/Bath	1	4,720	4,960	240
Eastview Large Single/Bath	1	5,075	5,330	255
RA Rate	1	1,795	1,855	60
Standard Double Suite	2	3,220	3,375	155
Standard Double Suite as Triple	3	2,730	2,850	120
Standard Single Suite	4	3,755	3,945	190
Double Suite	2	3,460	3,625	165
Single Suite	1	4,550	4,780	230

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.

Proposed Room and Board Rates Continued

The Pennsylvania State University
Effective Fall 2015

University Park Nittany Apartment Rates/Person/Semester*

Room Description	Number of Occupants	Current Rate	Proposed Rate	Proposed Increase
2 Bedroom Garden	4	\$3,300	\$3,460	\$160
4 Bedroom Garden	4	3,715	3,895	180
4 Bedroom Townhouse	4	3,850	4,035	185

**Room rate includes utilities.*

Erie, Behrend Apartment Rates/Person/Semester*

Room Description	Number of Occupants	Current Rate	Proposed Rate	Proposed Increase
2 Bedroom Garden	4	\$3,300	\$3,460	\$160

**Room rate includes utilities.*

Harrisburg Apartment Rates/Person/Semester*

Room Description	Number of Occupants	Current Rate	Proposed Rate	Proposed Increase
Apartments-Bedroom Single	4	\$3,950	\$4,140	\$190
Apartments-Bedroom Double	6	3,475	3,640	165
Apartments-Bedroom Triple	9	3,125	3,275	150

**Room rate includes utilities.*

Proposed Room and Board Rates Continued

The Pennsylvania State University

Effective Fall 2015

University Park Graduate Family Apartment Rates/Month*

Room Description	Number of Occupants	Current Rate	Proposed Rate	Proposed Increase
White Course 1 Bedroom	N/A	\$1,030	\$1,065	\$35
White Course 2 Bedroom	N/A	1,170	1,210	40
White Course 3 Bedroom	N/A	1,315	1,360	45
White Course 3 Bedroom w/Half Bath	N/A	1,330	1,375	45

*Room rate includes utilities.

University Park Graduate Apartment Rates/Person/Month*

Room Description	Number of Occupants	Current Rate	Proposed Rate	Proposed Increase
White Course 4 Bedroom Apartment	4	\$815	\$850	\$35

*Room rate includes utilities.

Board Plan Rates/Semester

Meal Plan	Dining Dollars	Current Rate	Proposed Rate	Proposed Increase
Plan 1	\$735	\$2,005	\$2,065	\$60
Plan 2	825	2,095	2,155	60
Plan 3	885	2,155	2,215	60
Plan 4	1,010	2,270	2,340	70
Plan 5	1,095	2,355	2,425	70
Plan 6	1,270	2,530	2,600	70