

PENNSSTATE



Meetings of the Board of Trustees

May 9, 2014

Agenda

1. **Roll Call**
2. **Approval of the Minutes of Previous Meetings**

Will the Board of Trustees approve the minutes of the meeting of the Board held on February 17, 2014?

Will the Board of Trustees approve the minutes of the meeting of the Board held on March 7, 2014?

3. **President's Report**
4. **Public Comment**
5. **Reports from Standing Committees**

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

A. Committee on Academic Affairs and Student Life - James S. Broadhurst, Chair

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

Information Items –

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

(See Appendix I)

B. Committee on Audit and Risk – Mark H. Dambly, Committee Member

C. Committee on Compensation – Linda B. Strumpf, Chair

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

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

Information Items –

- a) Pattee-Paterno Library Sprinkler and Egress Upgrades, University Park
- b) West Pattee Library Floor Slab Upgrades, University Park
- c) Sackett Building Window Replacement, University Park
- d) Willard Building General Purpose Classroom Renovations, University Park
- e) Field Hockey Complex Turf Replacement, University Park
- f) Lighting Upgrades in Various Buildings, University Park
- g) Energy Savings Project at Food Science, Willard, Leonhard, and Thomas Buildings, University Park
- h) Energy Savings Project at Agricultural Science, Forest Resources, Wartik, and Earth and Engineering Sciences Buildings, University Park
- i) Carnegie Building and Pattee Library Roof Replacement, University Park
- j) Henderson Utility Upgrades, University Park
- k) Williams Building Electrical and HVAC Upgrades, Penn State Fayette

- l) Science/Technology Laboratory Building Lab Renovation and Replacement of Windows and Exterior Doors, Penn State Mont Alto
- m) Naming of Rooms, Portions of Buildings, and Plazas
- n) Purchase of Property at 225 Rosedale Avenue, Penn State Harrisburg
- o) Status of Major Construction Programs and Borrowing

Action Items –

- p) Summary of Revisions to Existing Scholarships, Fellowships, etc.
- q) Acknowledgement of Endowments and Other Major Commitments

(See Appendix II)

2) Proposed Naming of the Hazleton Administration Building, “Pasco L. Schiavo Hall,” Penn State Hazleton

The Facilities Naming Committee has recommended that the Board of Trustees name the Hazleton Administration Building, Penn State Hazleton, Pasco L. Schiavo Hall, in recognition of a commitment from Pasco L. Schiavo. The recognition plaque will read:

*Pasco L Schiavo
 Lawyer, author, educator, community leader, and philanthropist Pasco L. Schiavo, like
 generations of his family, has tirelessly,
 effectively, and proudly worked to advance the best interests of Penn State Hazleton and
 the community of which it is a vital part*

Will the Board of Trustees adopt the following resolution:

RESOLVED, That the Hazleton Administration
 Building at Penn State Hazleton is named “Pasco L.
 Schiavo Hall.”

(See Appendix III)

3) Consideration of Proposed Interim Maintenance and Operating Budget for the University for the Fiscal Year Beginning July 1, 2014

In order for the University to have an approved fiscal operating plan for the year beginning July 1, 2014, it is proposed that an interim budget be adopted.

Due to the pending status of the State appropriation, it is recommended that no action be taken at this time on changes in tuition, salaries and wages, employee benefits, or other necessary expense increases. A final budget will be submitted at the July 10-11, 2014 Board of Trustees meeting when the State appropriation is clarified.

Will the Board of Trustees adopt the following resolution:

RESOLVED, That pending adoption of a new budget to reflect clarification of the amount and form of the State appropriation, and subsequent decision regarding the amount of tuition charges, adjustments to salaries, wages, and employee benefits, and provisions for fuel and utilities and other cost increases, the Board of Trustees approves continuation for the interim period beginning July 1, 2014, total budget amounts at the level of the adjusted 2013-14 budget as follows:

	<u>University Park and Other Locations</u>	<u>College of Medicine</u>	<u>Pennsylvania College of Technology</u>	<u>Total University</u>
General Funds	\$1,796,937,000	\$114,823,000	\$104,710,000	\$2,016,470,000
Agricultural Federal Funds	19,778,000			19,778,000
Restricted Funds	534,975,000	85,000,000	14,733,000	634,708,000
Auxiliary Enterprises ^a	357,819,000	3,874,000	27,059,000	388,752,000
Total	\$2,709,509,000	\$203,697,000	\$146,502,000	\$3,059,708,000
Milton S. Hershey Medical Center				1,365,716,000
Total Funds				\$4,425,424,000

^aIncludes increase in room and board charges as approved by the Board of Trustees, March 7, 2014.

4) Proposed Appointment of a Design Build Team, Greenberg Renovation, University Park

In order to ensure Penn State's competitiveness and effectiveness in science research and instruction, eight laboratory buildings across the University Park campus have been identified in the Capital Plan for renewal over the next five years. While each building is under construction, temporary accommodations for the students and faculty who use these facilities will be required. Laboratory swing space is very limited at University Park. The feasibility of various options has been explored to accommodate these needs, which resulted in construction of a temporary facility near Research A on east campus to address some of the swing space demand.

To address more of the demands, the 49,000 square foot Greenberg Ice Pavilion, located on Hastings Road, has become available since the opening of Pegula Ice Arena, and can be renovated to house laboratories.

In order to maintain tight construction schedules, University administration seeks approval to appoint PJ Dick of Pittsburgh with Hoffman/Leahey of Boalsburg as the design build team to complete the renovation design. This team designed the facilities near Research A and is familiar with the University's laboratory swing space needs.

Renovation of the Greenberg Ice Pavilion for laboratory use will provide the University with value beyond the immediate timeframe. The facility can continue to be used as a lab facility, or it could be retrofitted to serve other future needs since infrastructure upgrades will remain in place.

Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the Officers of the University are authorized to employ PJ Dick of Pittsburgh, Pennsylvania, to design and build the Greenberg Renovation at University Park.

FURTHER BE IT RESOLVED, Final plans for the project will be brought to the Board of Trustees for approval when designed and costs have been established.

5) **Proposed Final Plans and Authorization to Award Contracts, Steidle Building Addition and Renovation, University Park**

Steidle Building, built in 1931, houses the College of Earth and Mineral Science's Department of Materials Science and Engineering. Most of the outdated labs in Steidle no longer have the utilities or functions needed for modern materials science. The mechanical, electrical and plumbing systems are deficient. Heating, ventilation, and air conditioning units are failing or unable to provide the environment necessary for modern-day material science research. The Mineral Science and Engineering programs and enrollments have grown significantly in the past 80 years. The faculty, staff, and students have been shoehorned into Steidle Building, leading to overcrowded teaching, research, and administrative spaces.

The University intends to expand the building and reorganize new lab and office areas into more open, collaborative "research clusters" to meet current and future program goals and objectives. The building's mechanical systems will be replaced and utility infrastructure to the building will be upgraded, including connecting the building to the campus chilled water system. Modern labs and utilities will improve Penn State's competitiveness in winning research contracts and recruiting top faculty and students.

Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the final plans for the Steidle Building Addition and Renovation at University Park, as designed by the firm of EYP Architecture & Engineering, P.C. of Albany, New York, are approved.

FURTHER BE IT RESOLVED, That authorization to award contracts to accomplish the project be approved in the amount of \$52,000,000.

6) **Proposed Final Plans and Authorization to Award Contracts, Pool Renovation and Air Handling Unit Replacement at McCoy Natatorium, University Park**

The pools, decks and heating, ventilating, and air conditioning systems in McCoy Natatorium, built in 1967, require repair. The air handling unit stopped working in Fall 2013 and tiles in the two pools are in a state of disrepair. The University intends to replace the air handling unit, and to renovate the pools and decks to rectify these conditions. The project scope also includes piping for the water filtration system, new ladders, and starting blocks. The most pressing project elements will be started this summer, while the balance of the work will be phased over the next several years as schedules permit.

Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the final plans for the Pool Renovation and Air Handling Unit Replacement at McCoy Natatorium, University Park, as designed by the firm of Cannon Design of Baltimore, Maryland, are approved.

FURTHER BE IT RESOLVED, That authorization to award contracts to construct the project be approved at a cost of \$6,000,000.

7) **Proposed Authorization to Proceed with Huntingdon Playfields, Penn State Abington**

Penn State Abington's NCAA Division III membership has increased its competitiveness in the Philadelphia market to attract students and help increase retention. Although the Penn State Abington campus contains 50.4 acres, the campus's topography and limited open space prevents the development of on-campus regulation playfields. As a result, Penn State Abington has had to rent practice and playing space on fields more than five miles away. Many conference games are played "away" rather than at "home," because local fields are not available for soccer and lacrosse.

It is proposed that the University develop the required athletic fields, along with other athletic facilities adjacent to campus on the Huntingdon Playfields, which are owned by the Abington School District. Under current law, the Abington School District is not permitted to sell the property without Pennsylvania Department of Education approval, and the PDE does not want to sell the property. However, the school district is able to lease the property to the University. With an initial lease term of twenty-five years and the opportunity to renew for another 20 years, the University and Abington School District representatives have developed a mutually-beneficial plan for Penn State to renovate and upgrade these fields in exchange for a long-term lease to share use.

Since Penn State Abington's athletic schedules are very different than the school district's, the arrangement provides the campus with modern athletic fields in close proximity to campus, which support the NCAA Division III play. The expense and inconveniences associated with renting and transporting to local fields would be eliminated. And extra parking could be used for off-site overflow parking for the Campus.

Currently, Huntingdon Playfields contains two playfields with a locker room and office facility on 20 acres. A power house storage facility and parking are located next to the upper field. The plan, which may be executed in phases, includes an artificial turf field with a running track, expanded parking facilities, a field house, new tennis courts, a repositioned and improved softball field and storage building, and an upgraded practice field. Abington School District will improve the facilities to satisfy Penn State's requirements. Penn State Abington and the Office of Physical Plant have worked with the school district during the procurement and construction process. Penn State will reimburse Abington School District for the project costs with funds placed into an escrow account prior to construction. The lease will begin when construction is complete.

Should Abington School District terminate the lease, it must provide a refund of the unamortized portion of the investment using a twenty-five year straight line method; and, Penn State would hold the first right-of-refusal should the school district be permitted and decide to sell the property.

The total cost to the University is \$6,200,000, which will be funded by the campus.

Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the Board of Trustees approves, consistent with the long-term lease agreement between the University and Abington School District, proceeding with construction of improvements to the Huntingdon Playfields, located adjacent to the Penn State Abington campus, at a cost to the University of \$6,200,000.

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

- 8) **Report on Status of Commonwealth Appropriation Request**
- 9) **Proposed Resolution Updating the University's Endowment Spending and Investment Policies**

In November 1986, the Board of Trustees adopted a resolution which established broad guidelines and a policy for investment of endowed and non-endowed funds of the University. Subsequent revisions to this investment policy were approved by the Board of Trustees on March 18, 1995; July 12, 1996; September 8, 2000; November 22, 2002; November 19, 2004; May 18, 2007; September 11, 2009; and September 17, 2010.

Given the current low interest rate environment, it is proposed that the minimum allocation to fixed income securities in the Long-Term Investment Pool (LTIP) should be 10% of LTIP market value, and that the amount in investment grade fixed income securities be no less than 5% of LTIP market value. It is anticipated that LTIP's current target allocation of 15% in investment grade fixed income securities would be gradually reduced over time.

In order to provide more flexibility in managing the Non-Endowed Funds (NEF) portfolio, it is proposed that at least 85% of NEF market value be invested in investment grade fixed income securities. This would allow up to 15% of NEF market value to be invested in non-investment grade fixed income securities in order to more effectively manage future interest rate increases.

Will the Board of Trustees adopt the following resolutions:

WHEREAS, The Board of Trustees on November 6, 1986, adopted a resolution regarding the University's Endowment Spending and Investment Policies for Endowment and General University Funds and subsequently approved revisions on March 18, 1995; July 12, 1996; September 8, 2000; November 22, 2002; November 19, 2004; May 18, 2007; and September 11, 2009; September 17, 2010; and

WHEREAS, The Officers of the University have recommended an amendment of such policies as hereinafter set forth.

NOW, THEREFORE, BE IT RESOLVED, That the University's Endowment Spending and Investment Policies for Endowment and General University Funds be changed as follows:

(1) Chairman, Senior Vice President for Finance and Business/Treasurer, Executive Director, Office of Investment Management, and five to nine non-University members (at least one of whom shall be a member [either voting or emeriti] of the Board of Trustees), each serving three-year staggered, renewable terms, is hereby authorized to administer the spending and investment policies hereinafter adopted by the Board of Trustees and to report periodically concerning the same to the President of the University and to the Committee on Finance, Business, and Capital Planning of the Board of Trustees. In such administration, the Investment Council may delegate appropriate functions to properly designated University Officers and other University Personnel.

(2) That in order to preserve the purchasing power of endowment and endowment-like funds, spending from each such fund over time should be limited to a percentage of the market value of such fund, set at a level anticipated to preserve over time the funds real (inflation-adjusted) value after consideration of investment returns.

(3) That endowment and endowment-like funds should be invested to attempt to achieve a real (inflation-adjusted) total return over time sufficient to support a spending rate limited in accordance with (2) above, while providing for growth of the endowment base sufficient to accommodate an assumed rate of inflation.

(4) That endowment and endowment-like funds (e.g., the Long-Term Investment Pool) should be invested primarily by independent investment managers selected by the Investment Council. A primary investment attribute to be employed in managing the Long-Term Investment Pool shall be prudent diversification achieved through flexible yet disciplined implementation of a mix of investments and strategies. Among these shall be: Fixed Income investments which shall comprise no less than 10% of the Long-Term Investment Pool, with a minimum of 5% in investment grade securities (principally U.S. Treasury notes, government agency obligations, and investment grade corporate bonds); Equity investments (principally global market-traded equities, hedged strategies, and private equity investments); and Real Assets investments (principally real estate, timber, energy, and commodity investments). The specific construction of the portfolio with regard to strategies employed and managers utilized will be determined by, and under the overall supervision of, the Investment Council, which shall be guided by its written Investment Policies, Objectives and Guidelines. Investment processes and results shall be carefully monitored by the Investment Council to insure compliance with such policies, objectives, and guidelines. For comparative purposes, the results of other professionally-managed funds, market benchmarks, and other customized performance standards deemed appropriate shall be considered. A detailed investment report shall be made to the Board of Trustees semi-annually.

(5) In performing its duties delegated under this resolution, the Investment Council shall be guided solely by fiduciary principles. The Council shall consider only financial criteria in formulating investment policies or in proxy voting unless specifically directed to do otherwise in a definitive manner by the Board of Trustees.

(6) Non-Endowed University funds should be invested to provide liquidity for working capital over the annual operating cycle of the University, and to serve the interim and longer term needs of the University for plant renewals and replacements, debt service and capital additions. Non-Endowed funds will be invested in a manner that emphasizes capital preservation and meets the cash flow requirements of future University liabilities, while achieving modest growth in the principal value to accommodate future inflation. For current working capital and short-term investments, maturities of securities shall not exceed 13 months per money market fund guidelines and will generally be 90 days or less. Typical instruments include money market funds, certificates of deposit, U.S. government/agency securities, repurchase agreements, and high quality commercial paper. Intermediate and long-term asset categories will be invested principally in readily marketable investment grade securities with no less than 85% of non-endowed fixed income securities rated investment grade. Non-physical derivatives are not permitted for speculative purposes. For long-term assets approved for commingling with the University's Long-Term Investment Pool (LTIP) by the Board of

Trustees, such investments will follow LTIP policies overseen by the Penn State Investment Council.

(7) With the prior approval of the Chairperson of the Committee on Finance, Business, and Capital Planning, or in the absence of the Chairperson, the Vice Chairperson of the Committee on Finance, Business, and Capital Planning, the Investment Council is authorized to make interim revisions in the above-mentioned policies, subject to subsequent review and approval by the Board of Trustees of substantive revisions.

10) Photo Report on Selected Construction Projects

A photo report on the progress of selected construction projects will be presented at the meeting.

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

1) Proposed Changes to the Charter, Bylaws and Standing Orders of The Pennsylvania State University

Will the Board of Trustees adopt the following resolution:

RESOLVED, That the *Charter, Bylaws, and Standing Orders* of The Pennsylvania State University are amended as set forth in the appendix and presented at the meeting on May 9, 2014.

(See Appendix IV)

2) Proposed Appointment of Members, Board of Directors of The Milton S. Hershey Medical Center

In May 2000, the Board of Trustees approved the establishment of the corporation "The Milton S. Hershey Medical Center," a Pennsylvania nonprofit corporation for the purpose of employing personnel, owning equipment, and holding the hospital and other licenses necessary to provide healthcare services. The Board further confirmed that the University will continue to fulfill its obligations as Successor Trustee of The Milton S. Hershey Medical Center through establishment of the corporation to operate the clinical enterprise and make the necessary appointments to the Board of Directors.

The Board of Directors of The Milton S. Hershey Medical Center consists of 15 members. Nine directors are appointed directly by the Board of Trustees with three-year, staggered terms; two are *ex officio* directors: the Senior Vice President for Health Affairs of The Pennsylvania State University, Dean of the College of Medicine, and Chief Executive Officer; and one director is elected from among the clinical department chairs at The Milton S. Hershey Medical Center. The remaining four directors are considered independent directors, with three-year, staggered terms, and are self-perpetuating. Together, these 15 directors are responsible for governance of The Milton S. Hershey Medical Center, subject, of course, to the authority of the Board of Trustees to appoint and remove its appointees.

The members of the Board of Directors appointed by the Board of Trustees of The Pennsylvania State University whose terms expire this year are Rodney A. Erickson, David J. Gray, and Edward R. Hintz.

Will the Board of Trustees adopt the following resolution:

RESOLVED, that the following individuals are appointed as members of the Board of Directors of The Milton S. Hershey Medical Center for a three-year term ending June 30, 2017:

Rodney A. Erickson
David J. Gray
Edward R. Hintz

- F. **Committee on Legal and Compliance** – Kenneth C. Frazier, Chair
- G. **Committee on Outreach, Development and Community Relations** - Joel N. Myers, Chair

6. **Informational Report on the University Faculty Senate**

A report of this year's activities of the University Faculty Senate is provided by Brenton Yarnal, Immediate Past Chair of the University Faculty Senate and Professor of Geography in the College of Earth and Mineral Sciences.

7. **Remarks by the President of the Penn State Alumni Association**

Remarks will be provided by Kay Salvino, President of the Penn State Alumni Association.

8. **Presidential Transition**

9. **Report on the Election of Trustees by Alumni**

The judges of the election, Marianne E. Alexander and Ryan J. McCombie, will report on the counting of the ballots in the election of Trustees by alumni.

10. **Report on the Election of Trustees by Agricultural Delegates**

A report on the election of Trustees by delegates from agricultural societies will be given by Trustee M. Abraham Harpster.

11. **Election of Trustees Representing Business and Industry Endeavors**

The Selection Group on Business and Industry Trustees will recommend to the Board of Trustees the names of two candidates for election as trustees representing business and industry endeavors for three-year terms beginning July 1, 2014. A resolution will be presented at the meeting.

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

1. Information on Undergraduate Programs

A. College of Arts and Architecture

- 1) General Theatre Studies option to Theatre Studies option in the Bachelor of Arts in Theatre: Name change

The name change of the option occurred as part of the revisions to the curriculum. The name change will become effective Summer 2014.

B. College of Engineering

- 1) International Engineering: New Minor

This minor, paired with any engineering baccalaureate major at any campus, will provide students with the opportunity to learn about and understand their profession in a global context. It is designed to provide students with the knowledge, language skills, and experiences to help prepare them for a professional career that is likely to include collaborations with professionals from various parts of the world. The minor will help students understand the cross-cultural communications challenges and the global arena in which their profession is practiced. The new minor will become effective Summer 2014.

C. College of the Liberal Arts

- 1) Biological and Evolutionary Science option to Life Sciences option in the Bachelor of Science in Psychology: Name change

The name change of the option is to better reflect the courses included in the option and to avoid possible confusion with programs offered by the Department of Biology in the Eberly College of Science. The name change will become effective Summer 2014.

D. Intercollege Programs

- 1) Digital Entrepreneurship and Innovation Cluster and Hospitality Management Cluster to the Entrepreneurship and Innovation Minor: New Minor

Two new cluster options are being added to the Entrepreneurship and Innovation Minor. The Digital Entrepreneurship and Innovation Cluster will focus on developing students' internet, mobile and software applications skills and knowledge, so the students become entrepreneurial-minded leaders and innovators in venture-based startups, privately owned businesses, or in more traditional businesses. The Hospitality Management Cluster prepares a student to create and develop novel but sound entrepreneurial concepts related to the hospitality industry. The new cluster options will become effective Summer 2014.

E. Penn State Erie, The Behrend College

- 1) Digital Media option and Marketing option to the Bachelor of Arts in Arts Administration: New Option

The new options give Arts Administration majors a choice between a digital media focus and a business marketing focus. The Digital Media option emphasizes design and social media engagement, developing the skills fundamental to any position that involves communicating with the public, as arts administrators routinely do. The Marketing option provides a business core for careers that emphasize fiscal planning with arts organizations. The new options will be become effective Summer 2014.

2) Accelerated Health Programs option to Health Professions option in the Bachelor of Science in Biology: Name Change

The name change of the option is to reflect its intent to prepare students for advanced health professions education and, in particular, students who are admitted into a “3+4” accelerated or early acceptance program at an approved or affiliated professional school. The name change of the option will become effective Summer 2014.

3) Game Development: New Minor

This interdisciplinary minor is designed to introduce game development concepts to students. The minor has a breadth component that includes classes in a variety of disciplines that will qualify as general education credits. The minor also has a depth component with classes that develop the theoretical aspects of game development. The curriculum reflects this structure as it introduces students to several domains, develops their depth in selected areas and culminates with the completion of a project on an interdisciplinary team. The minor will become effective Summer 2014.

2. Information on Graduate Programs

A. Doctor of Nursing Practice (D.N.P.) in the College of Nursing: Program Change

This *practice-focused doctoral degree* prepares nursing leaders for the highest level of clinical nursing practice. The new degree is being added to align with the recent Institute of Medicine report that states nurses must achieve higher levels of education and training to respond to the increasing healthcare demands. This degree also reflects the national consensus model for nursing education, which proposes elimination of the master’s degree in nursing and proposes that all nurses be prepared at the doctoral level. Thus, this degree will position our graduates who plan to stay in a practice environment to meet the demands of a changing healthcare system and to be competitive in the workforce with other nurses with graduate degrees

B. Master of Professional Accounting (M.P.Acc.) degree at Penn State Erie: New Program

The graduate program in Accounting, offering the Master of Professional Accounting (MPAcc) degree, will be offered at the Black School of Business (BSOB), Penn State Erie, The Behrend College. The MPAcc degree program will equip the students for the increasing legal and financial complexities faced by the accounting profession. The MPAcc degree program will provide students with 30 credit hours of education, and when added to their 120 undergraduate credits previously earned, these students will have also satisfied the educational requirements needed for becoming a Certified Public Accountant (CPA) in the state of Pennsylvania. In addition, most state boards of accountancy require 150 credits of education to sit for the CPA examination. This proposed degree will help satisfy the CPA exam educational requirements of most of Pennsylvania’s neighboring states as well... This program is aimed at students who do not have access to the resident program [in Accounting offered by Smeal College of Business], students who have not majored in accounting, and nontraditional students.

C. Master of Science (M.S.) and Master of Engineering (M.Eng.) in the College of Engineering: New Program

Engineering Design is an inherently multidisciplinary field grounded in engineering or approached from an engineering viewpoint. The primary objective of this program is to enable students with diverse engineering backgrounds (i.e., depth) to attain a deeper understanding of design methods (i.e., breadth) that will prepare them for design-focused careers in industry, government labs, and academia. This program will provide students with the flexibility to pursue graduate studies and research that span the traditional departments and colleges. Current Penn State students who wish to conduct research in Engineering Design typically concentrate on the *application* of the work, which conforms to the current graduate program structure. A graduate program in Engineering Design will provide students with the opportunity to pursue research since the *process* of Engineering Design could also be a focus.

1. **Pattee-Paterno Library Sprinkler and Egress Upgrades, University Park**

The University intends to complete fire protection upgrades in Pattee/Paterno Library including new sprinklers, fire alarm devices, doors and hardware. The cost estimate for this project is \$1,500,000.

(See Appendix II.1)

2. **West Pattee Library Floor Slab Upgrades, University Park**

The load carrying capacity of the slab on the second floor of West Pattee Library will be increased and a new raised floor system will be installed to correct the unevenness of the slab and to provide greater flexibility in the use of the space. The cost estimate for this project is \$1,200,000.

(See Appendix II.2)

3. **Sackett Building Window Replacement, University Park**

The University intends to replace the windows on the east and west elevations of the original 1930 portion of Sackett Building (not the additions constructed in 1958). These single pane uninsulated windows are original to the building and are failing. Some do not close tight. The new windows will be insulated and energy efficient, and will architecturally match the original windows in appearance. The project scope includes removal of the original caulking, which contains hazardous materials. The project budget is currently estimated to be \$1,100,000.

(See Appendix II.3)

4. **Willard Building General Purpose Classroom Renovations, University Park**

The University intends to renovate Willard Building classrooms 358, 360, and 362 (approximately 4650 square feet total) as part of an ongoing classroom renewal effort at University Park. The project includes new furniture and new technology such as whiteboards, projectors, and room computers. The corridor walls and benches adjacent to the classrooms will be replaced. The cost estimate for this project is \$1,140,000.

(See Appendix II.4)

5. **Field Hockey Complex Turf Replacement, University Park**

The existing Field Hockey Complex, located just west of the Pegula Ice Arena, was constructed in 2004. After nearly a decade of successful NCAA competition, the turf is in need of replacement. The existing turf will be replaced with an updated version of the synthetic turf originally installed in 2004. The contour of the field will be slightly modified to lessen the existing crown to increase ball control and playability. The project is scheduled for completion prior to the 2014 season, which begins in August. The cost estimate for this project is \$1,525,000.

(See Appendix II.5)

6. **Lighting Upgrades in Various Buildings, University Park**

The University is planning general lighting upgrades to improve energy efficiency and provide energy savings. The lighting upgrade work will include relamping, rebalasting, light fixture replacement, incidental painting and patching, and selected controls and wiring upgrades in seven buildings on campus – Carpenter, Hallowell, Kern, Reber, Sparks, Wartik, and Willard. The cost estimate for this project is \$1,500,000.

(See Appendix II.6)

7. **Energy Savings Project at Food Science, Willard, Leonhard, and Thomas Buildings, University Park**

The University intends to implement energy conservation measures which could include upgrades to heating, ventilation, air conditioning, building envelope, lighting, and plumbing systems in Food Sciences, Willard, Leonhard, and Thomas buildings. The final scope of the upgrades will be determined after completion of a comprehensive energy audit of each building. Typical conservation measures implemented as a result of this project could be conversion of HVAC constant air volume systems to variable air volume systems, improved operating strategies, control upgrades, installation of heat recovery, lighting replacement, and plumbing fixture replacement. The cost estimate for this project is \$2,150,000 with a payback not to exceed 10 years including cost of money.

(See Appendix II.7)

8. **Energy Savings Project at Agricultural Science, Forest Resources, Wartik, and Earth and Engineering Sciences Buildings, University Park**

The University intends to implement energy conservation measures which could include upgrades to heating, ventilation, air conditioning, building envelope, lighting, and plumbing systems in Agricultural Science and Industries, Forest Resources, Wartik, and Earth and Engineering Sciences buildings. The final scope of the upgrades will be determined after completion of a comprehensive energy audit of each building. Typical conservation measures implemented as a result of this project could be conversion of HVAC constant air volume systems to variable air volume systems, improved operating strategies, control upgrades, installation of heat recovery, lighting replacement, and plumbing fixture replacement. The cost estimate for this project is \$2,250,000 with a payback not to exceed 10 years including cost of money.

(See Appendix II.8)

9. **Carnegie Building and Pattee Library Roof Replacement, University Park**

Portions of the roofs of Carnegie Building and Pattee Library have reached the end of their useful life. The University intends to replace portions of Carnegie Building modified bitumen and standing seam metal roof systems with modified bitumen. Rooftop steel that is no longer needed will be removed. Existing roofing systems of various materials at Pattee Library will be replaced with modified bitumen and standing seam metal. This project will be scheduled concurrent to other work in the library to limit disturbance to occupants. The cost estimate for this project is \$1,215,000.

(See Appendix II.9)

10. **Henderson Utility Upgrades, University Park**

The existing steam heating system in Henderson Building is outdated and deteriorated to a point of disrepair and steam leaks from under-slab pipes are damaging walls in the building. The University intends to replace the existing system with a hot water perimeter heating system that will be connected to a recently installed hot water heat exchanger. This project will reduce heating costs and disruptions and costs related to repair work. The cost estimate for this project is \$1,500,000.

(See Appendix II.10)

11. **Williams Building Electrical and HVAC Upgrades, Penn State Fayette**

The University intends to upgrade the outdated electrical and HVAC services to Williams Building at Penn State Fayette. The project scope includes new rooftop units, new electrical service, upgrades to emergency generator systems, and lighting upgrades. A small new building addition is required to accommodate these new systems and meet code requirements. The exterior materials of the new mechanical room will match existing building materials. Exterior ground equipment will be visually screened by fence and landscaping. The cost estimate for this project is \$1,500,000.

(See Appendix II.11)

12. **Science /Technology Laboratory Building Lab Renovation and Replacement of Windows and Exterior Doors, Penn State Mont Alto**

The Science/Technology Laboratory Building at Penn State Mont Alto was built in 1976. The laboratory facilities are outdated and no longer serve the needs of faculty and students. The University intends to renovate 5,200 square feet of space in the Zoology and Biology labs on the second floor, and the Chemistry and Physics labs on the third floor to rectify these deficiencies. The project scope includes replacement of windows and exterior doors throughout the building to increase energy efficiency and upgrades for accessibility, audio and video equipment, and mechanical systems. The cost estimate for the project is \$2,550,000.

(See Appendix II.12)

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

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

- A. Name the electric research lab 5 (Room 208) in the Educational Activities Building, Penn State Harrisburg, in recognition of a gift from PPL Electric Utilities. The recognition plaque will read:

PPL Electric Utilities Research Lab

- B. Name the nursing station (Room 107D) in the Nursing Lab, Penn State Harrisburg, in recognition of a gift from Holy Spirit Hospital. The recognition plaque will read:

Holy Spirit Hospital

Dedicated to the advancement of the nursing profession through education and Development

- C. Name the Erie Planetarium, Penn State Erie, The Behrend College, in recognition of a commitment from Walter and Patricia Yahn. The recognition plaque will read:

The Yahn Planetarium of Erie

in honor of Walter S. Yahn, Class of 1915

Walter J. Yahn '52 and Patricia S. Yahn

Susan Yahn

Jeffrey Yahn

Cindy Yahn Grode

Greg M. Yahn '72

- D. Name the Memorial Garden, Penn State Hazleton, in recognition of a gift from Dr. Lil Junas. The recognition plaque will read:

The Dr. Lil Junas Garden

- E. Name the art gallery (Room 328) in the Lehigh Valley Building, Penn State Lehigh Valley, in recognition of commitment from Ronald K. De Long. The recognition plaque will read:
The Ronald K. De Long Gallery
- F. Name the on-call physician toilet and shower (Room P3226E) in the new Penn State Hershey Children's Hospital in recognition of a gift from the G.R. and Grace M. Sponaugle Charitable Foundation. The recognition plaque will read:
Made possible by the generosity of G.R. and Grace M. Sponaugle Charitable Foundation
- G. Name the Men's Volleyball Locker Room in Rec Hall in recognition of a gift from Warren and Pat Carmichael. The recognition plaque will read:
*The Warren and Pat Carmichael Family
Men's Volleyball Team Locker Room*
- H. Name the Men's Volleyball Players Lounge in Rec Hall in recognition of a gift from Jeffrey and Sharon Hyde. The recognition plaque will read:
The Hyde Family Men's Volleyball Team Lounge
- I. Modify the plaque text for the Multi-Sports Facility Men's and Women's Track Team Lounge Area named in memory of Kevin Dare by Edward Dare and the Kevin Dare Foundation at the family's request. The revised recognition plaque will read:
*Kevin Dare Memorial Team Lounge
In Loving Memory of Kevin Dare: A person of great integrity and a strong leader who lived his life with the utmost character and compassion for others.
He made an impact on the lives of many.*
- J. Name the Men's Director of Basketball Operations office in the Bryce Jordan Center in recognition of a commitment from Earl Hoffman. The recognition plaque should read:
*Earl Hoffman and Family
Director of Men's Basketball Operations Office*
- K. Name a Pavilion to be constructed at the Penn State Golf Courses in recognition of a gift-in-kind by Hawbaker Engineering. The signage will read:
*Hawbaker Pavilion
Dan Michael Patrick*
- L. Name the Strength and Conditioning Room (Room 110) in the Lasch Football Building in recognition of a gift from John Leone. The recognition plaque should read:
*John and Willie Leone Family
Strength and Conditioning Center*
- M. Name the Children's Garden in The Arboretum at Penn State in recognition of a gift from Ed and Helen Hintz. The name of the garden inscribed on the entrance gate will be:
Childhood's Gate

14. **Purchase of Property at 225 Rosedale Avenue, Penn State Harrisburg**

Bylaws, Article V, Section 5.09, entitled "Delegation of Duties", (b) (iv) (3) provides for such purchases to be presented to the Board of Trustees for information. The Board of Trustees is advised of the following property transaction:

In March, 2014, the University purchased a .75 acre property including a 912 square foot residence adjoining Penn State Harrisburg, located at 225 Rosedale Avenue, Middletown, Lower Swatara Township, Dauphin County, from Sandra Fanus for \$112,000. The purchase provides strategic campus expansion opportunities and eliminates the possibility of adverse ownership.

(See Appendix II.13)

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

(See Appendix II.14)

16. **Summary of Revisions to Existing Scholarships, Fellowships, Etc.**

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

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

17. **Acknowledgement of Endowments and Other Major Commitments**

The Committee on Finance, Business and Capital Planning is advised that for the period February 10, 2014, through April 11, 2014, 73 new funds totaling approximately \$4,597,426 were accepted by the University, including scholarships, fellowships, etc. All of these items conform to established University policies and regulations.

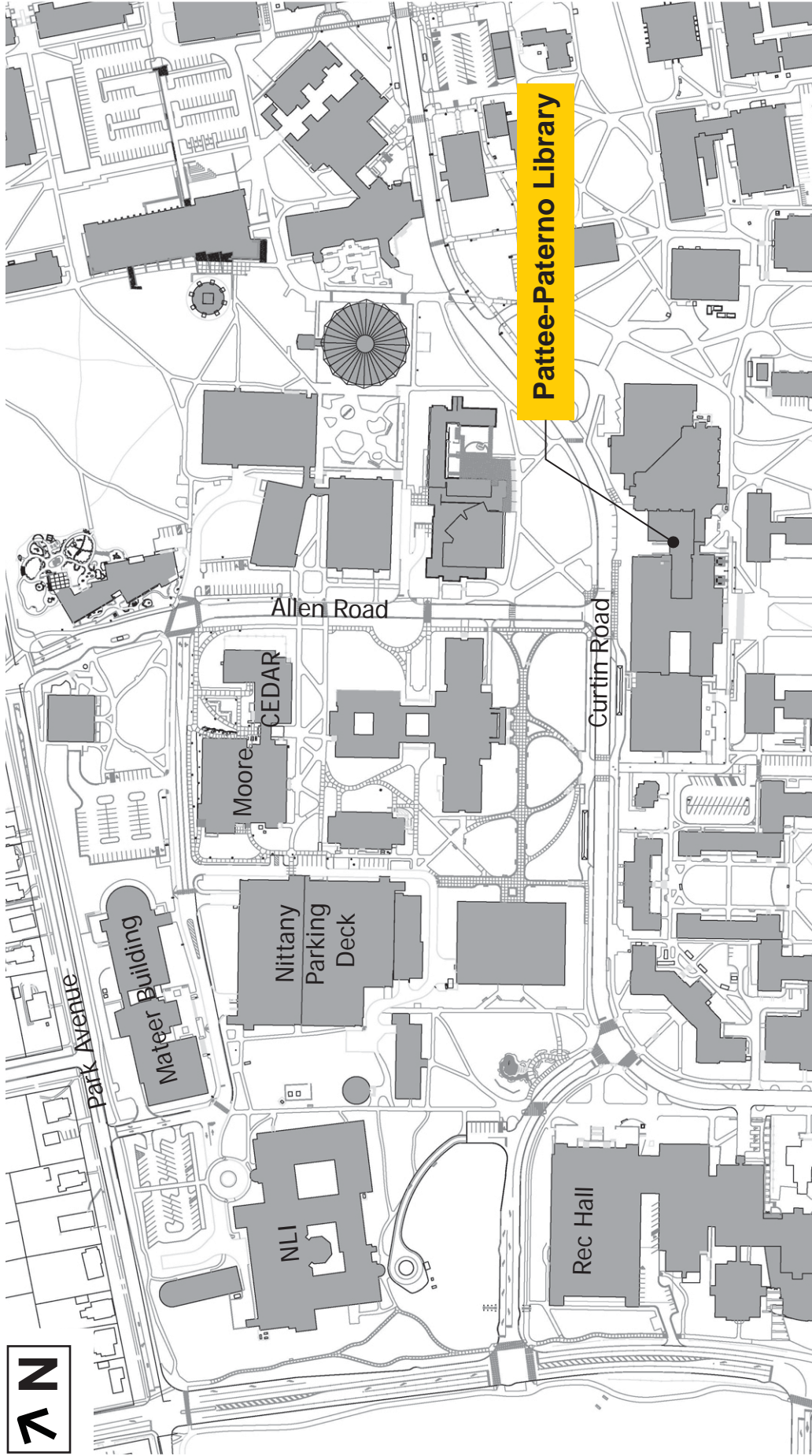
For the period January 1, 2014 through February 28, 2014, 51 major commitments were accepted by the University totaling approximately \$34,018,172.

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

RESOLVED, That the Board of Trustees gratefully acknowledges the generous contributions of the many friends of the University in support of endowments, funds, and other major commitments as reported to the Committee on Finance, Business and Capital Planning at its meeting of May 9, 2014.

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

University Park



Pattee-Paterno Library

Allen Road

Moore-CEDAR

Nittany Parking Deck

Mater Building

NLI

Rec Hall

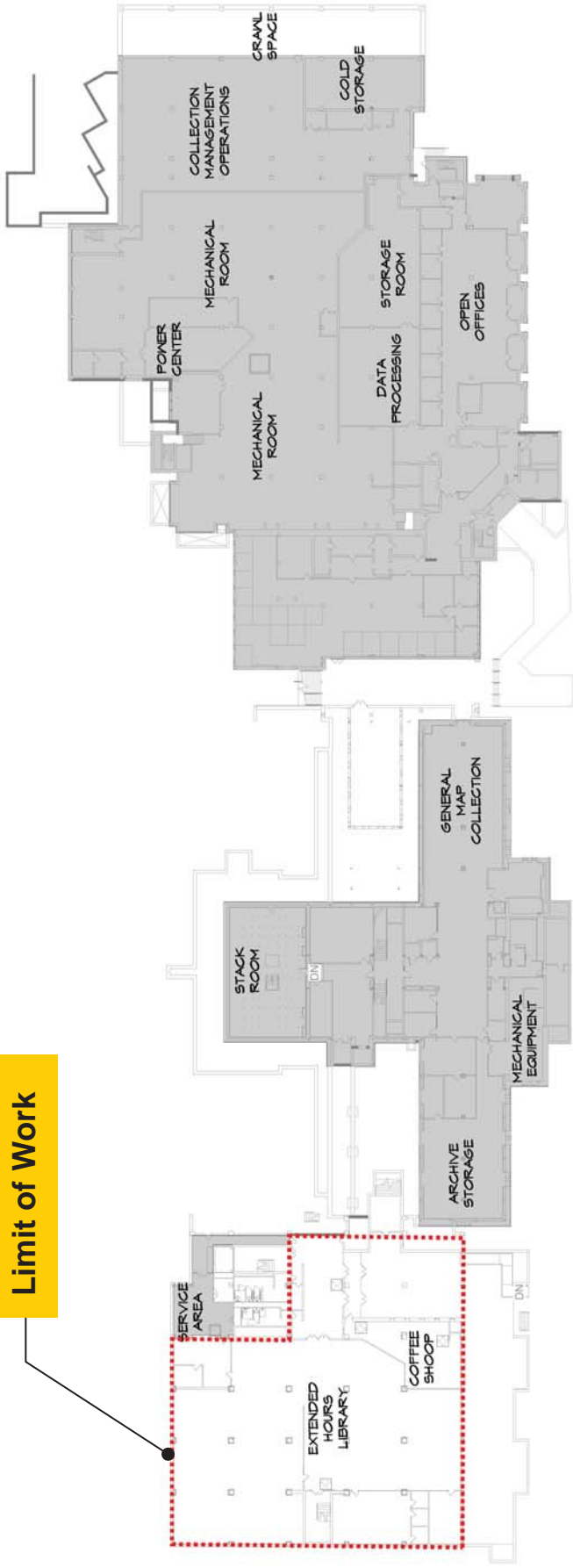
Curtin Road

Park Avenue

University Park

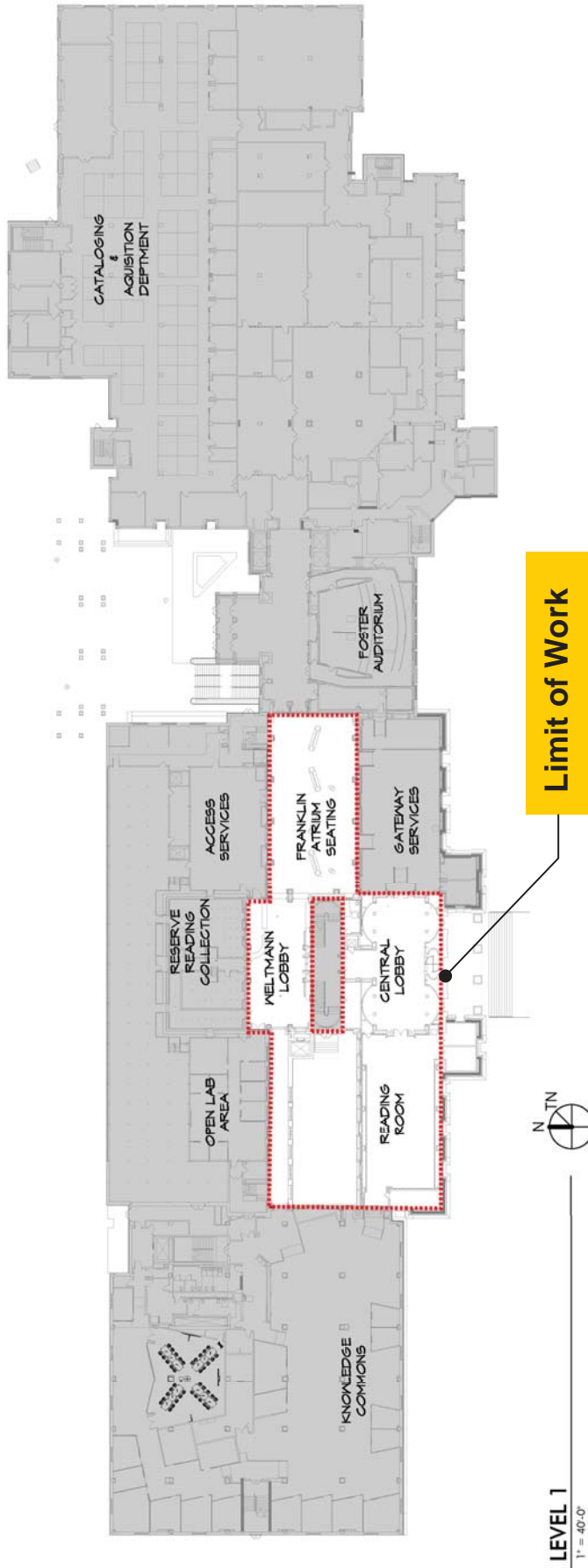


Limit of Work



BASEMENT
1" = 40'-0"

University Park

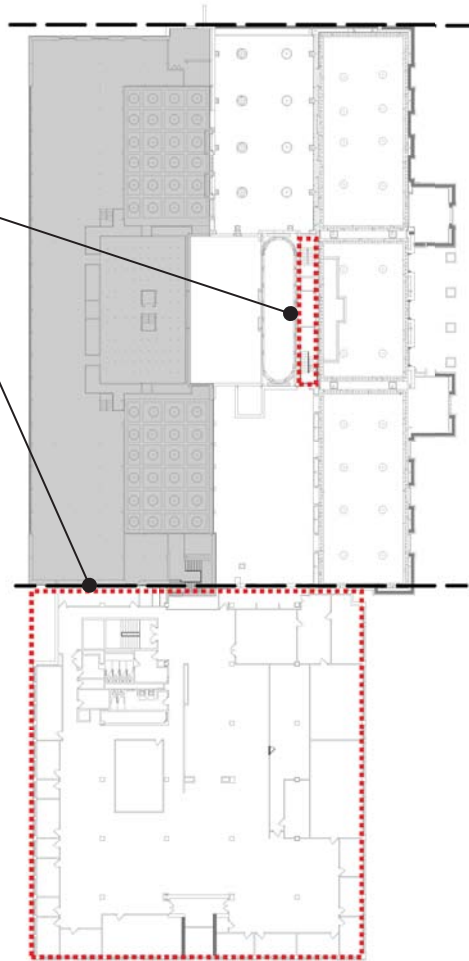
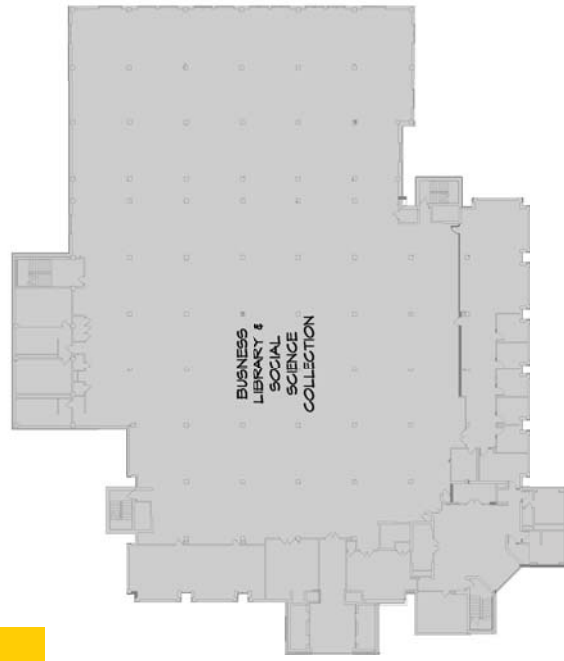


LEVEL 1
1" = 40'-0"

University Park

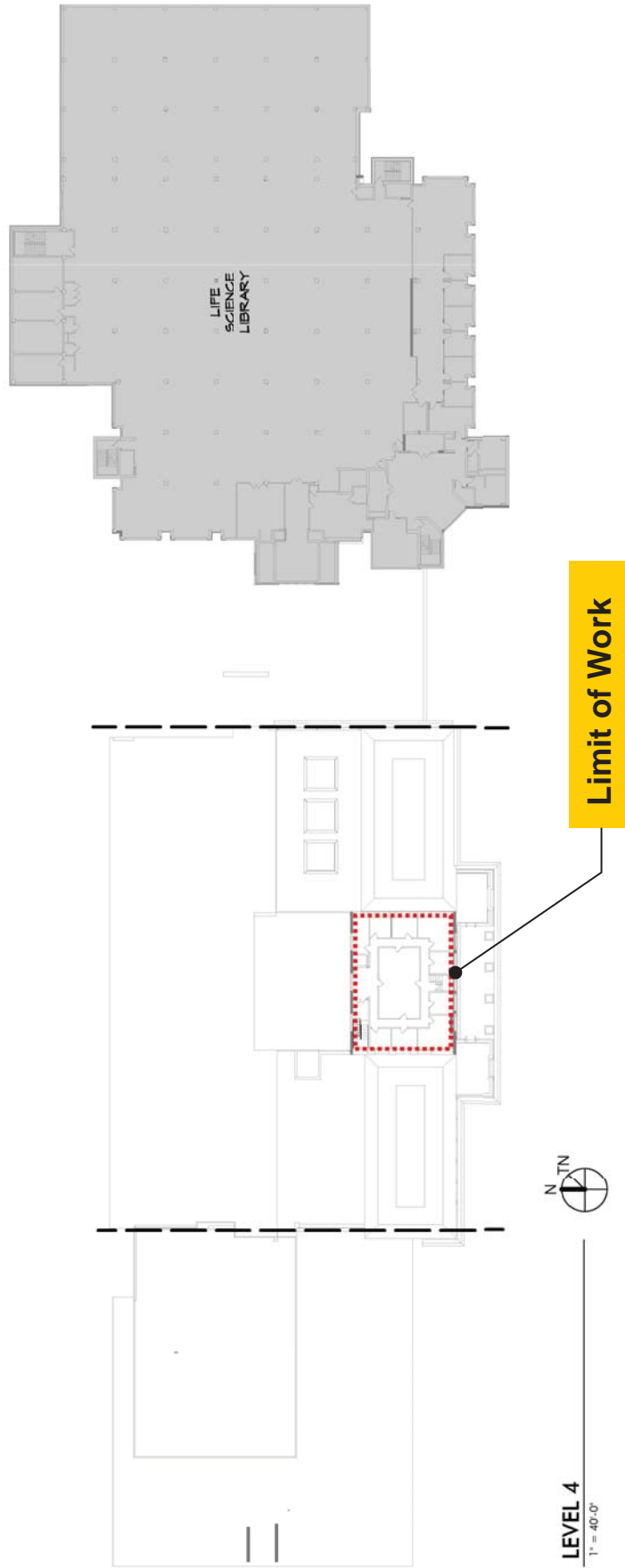


Limit of Work

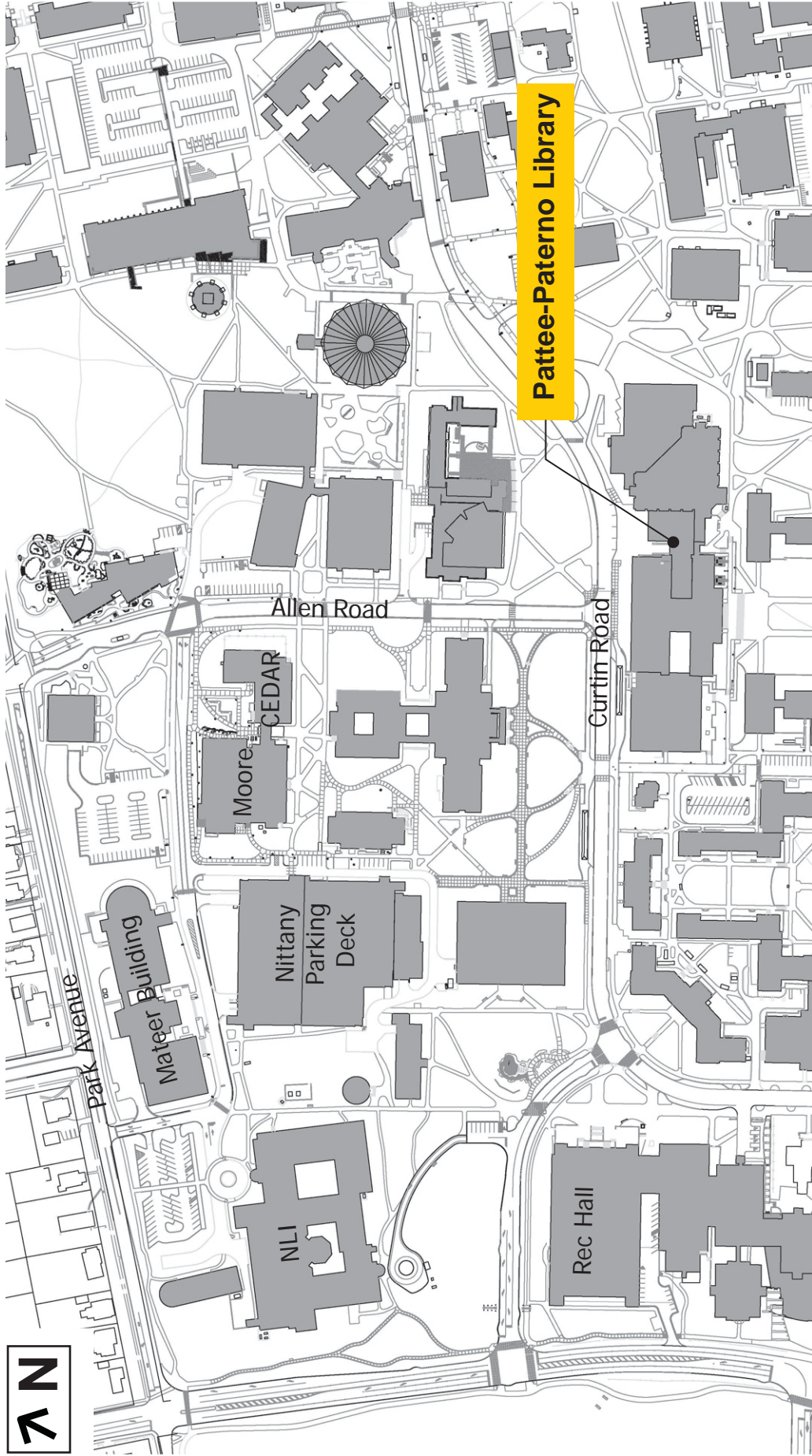


LEVEL 3
1" = 40'-0"

University Park



University Park



Pattee-Paterno Library

Allen Road

Curtin Road

Moore-CEDAR

Nittany Parking Deck

Mater Building

NLI

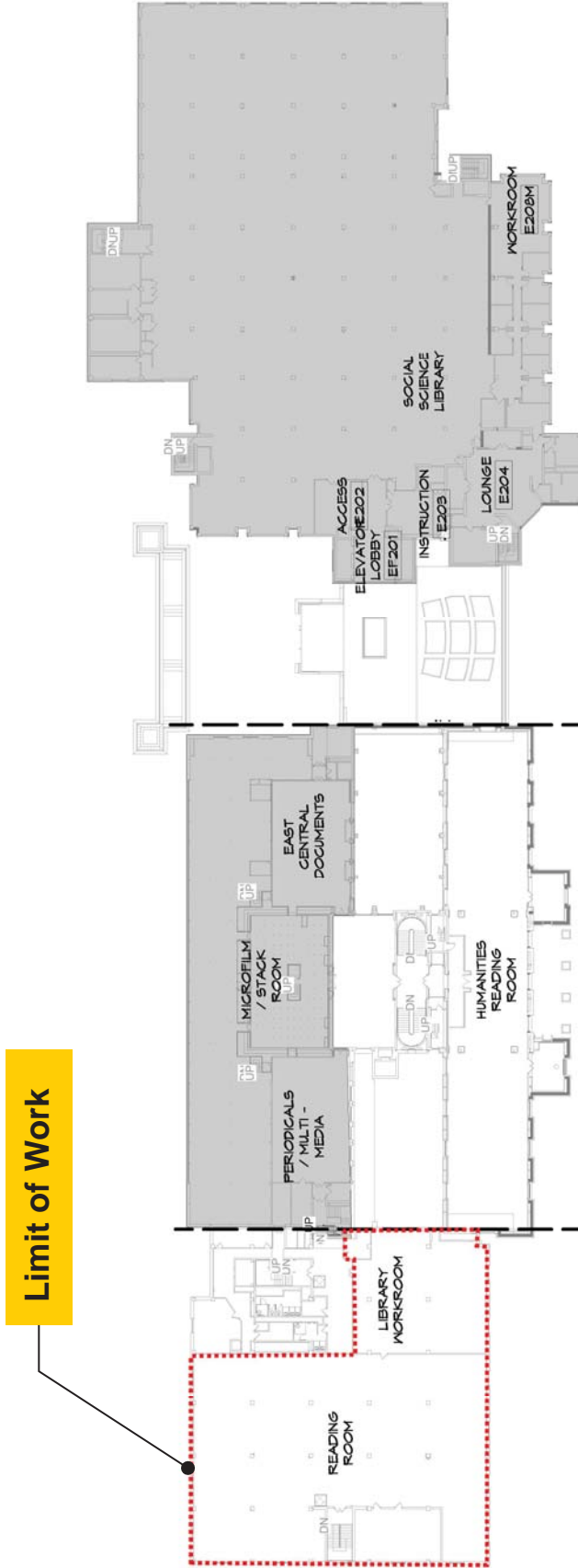
Rec Hall

Park Avenue

University Park

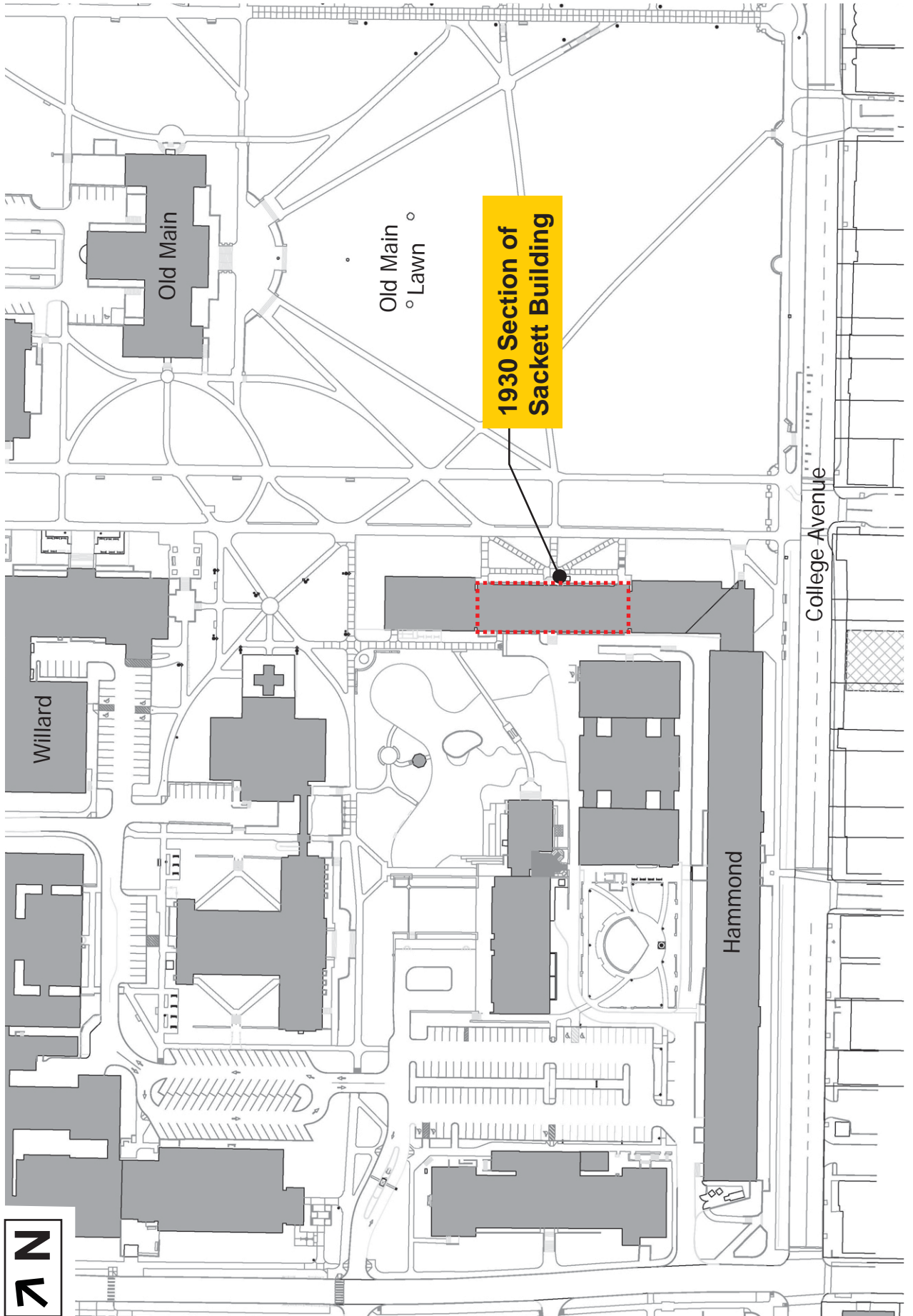


Limit of Work

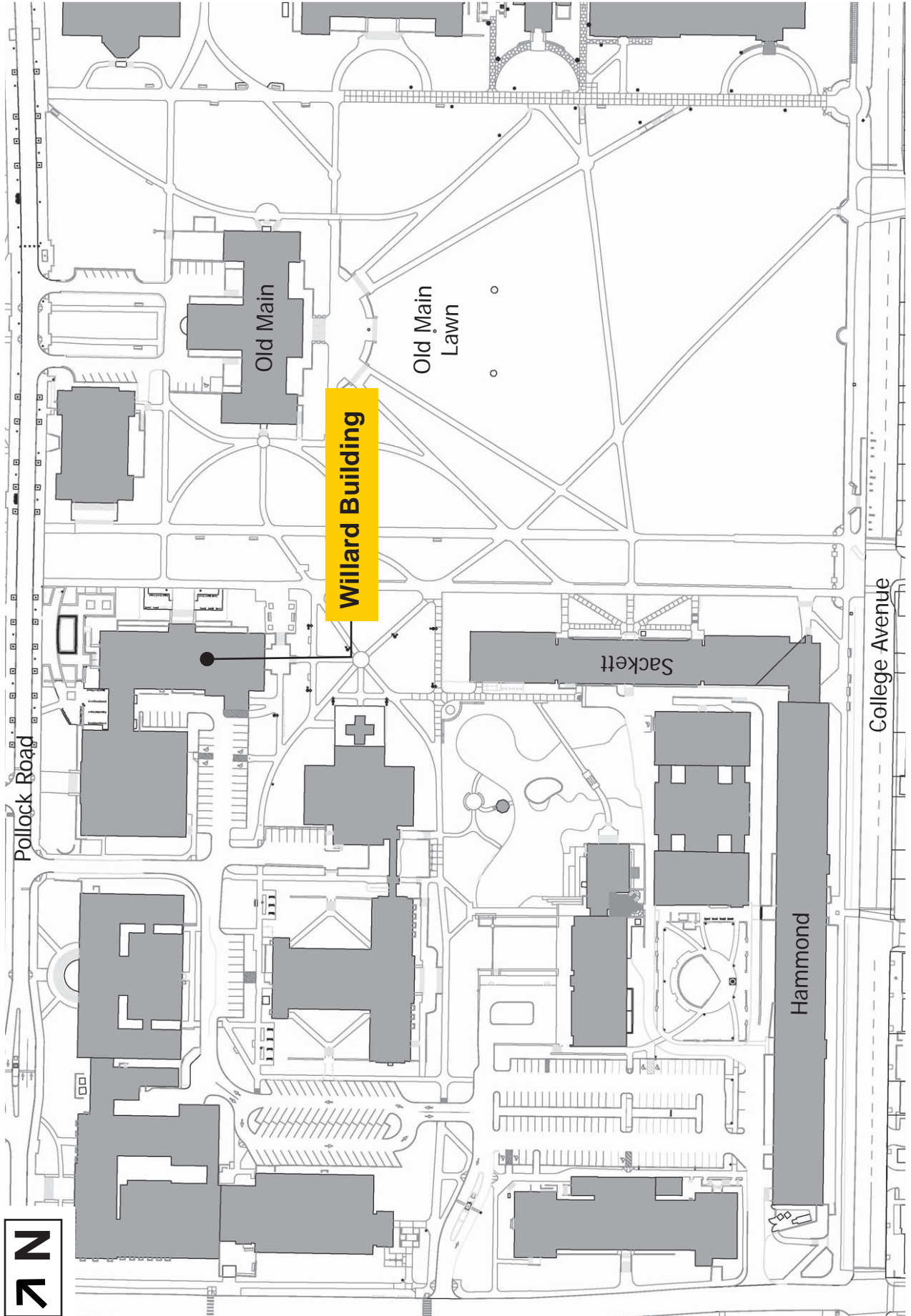


LEVEL 2
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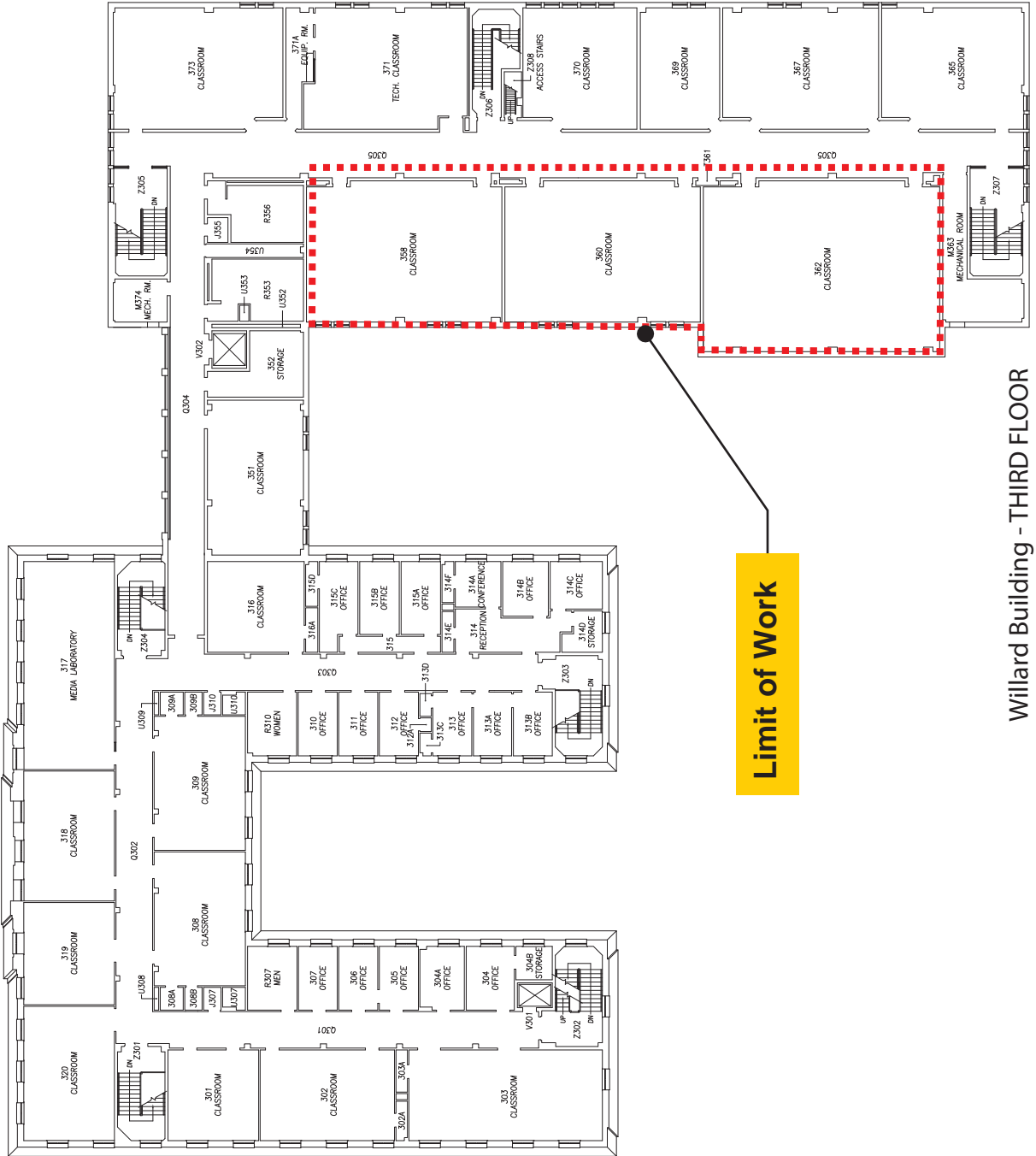
University Park



University Park

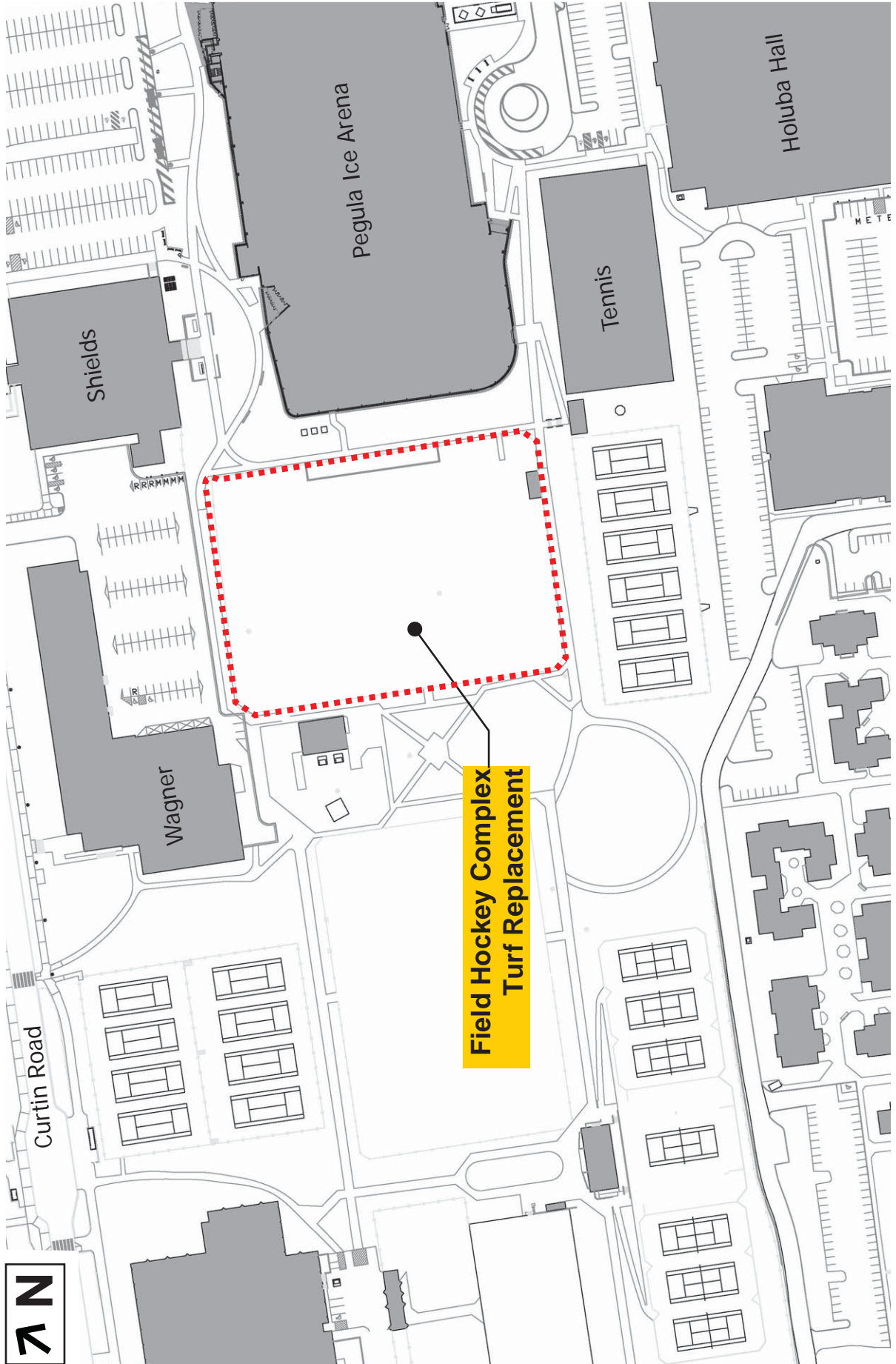


University Park



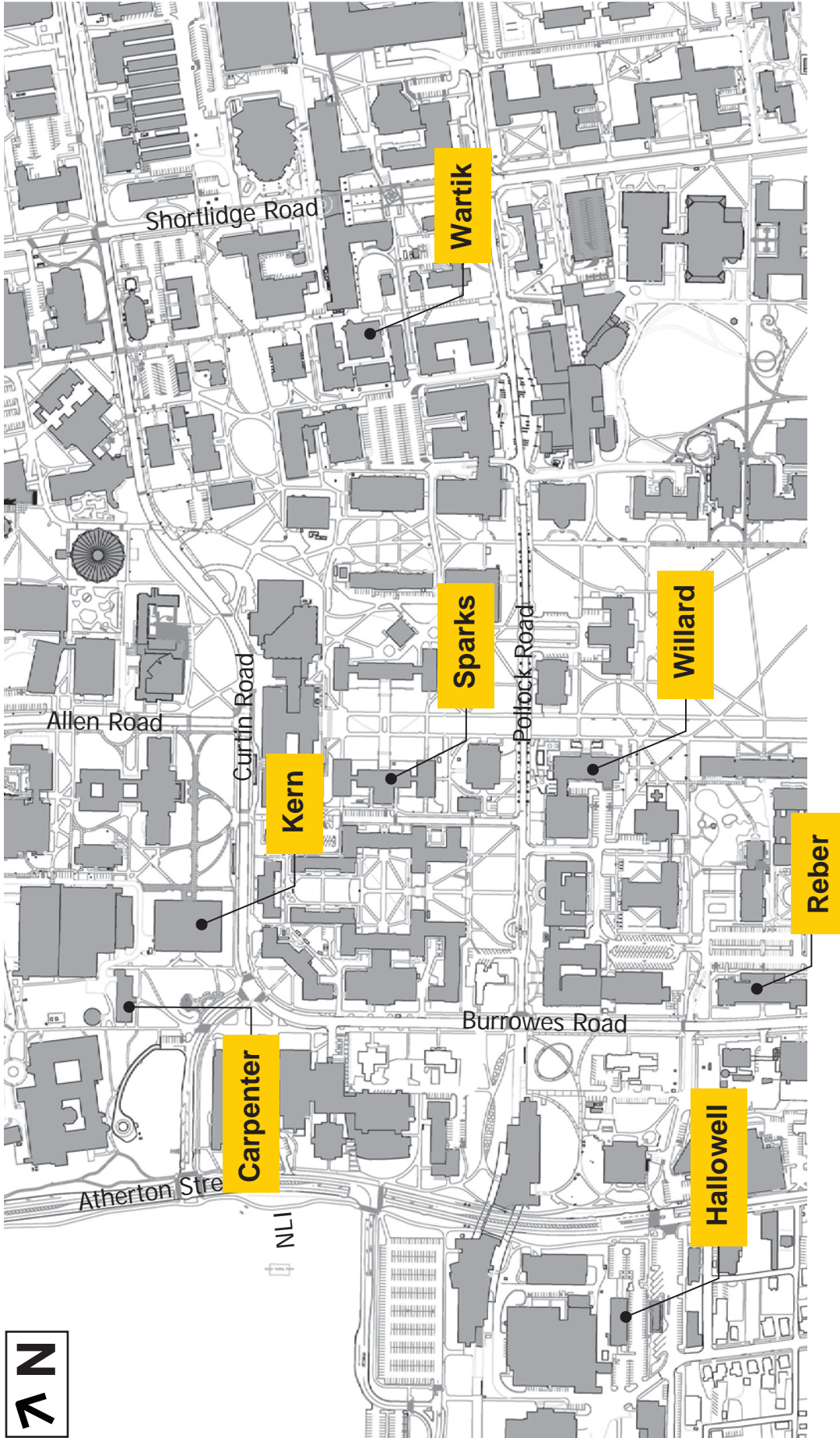
Willard Building - THIRD FLOOR

University Park

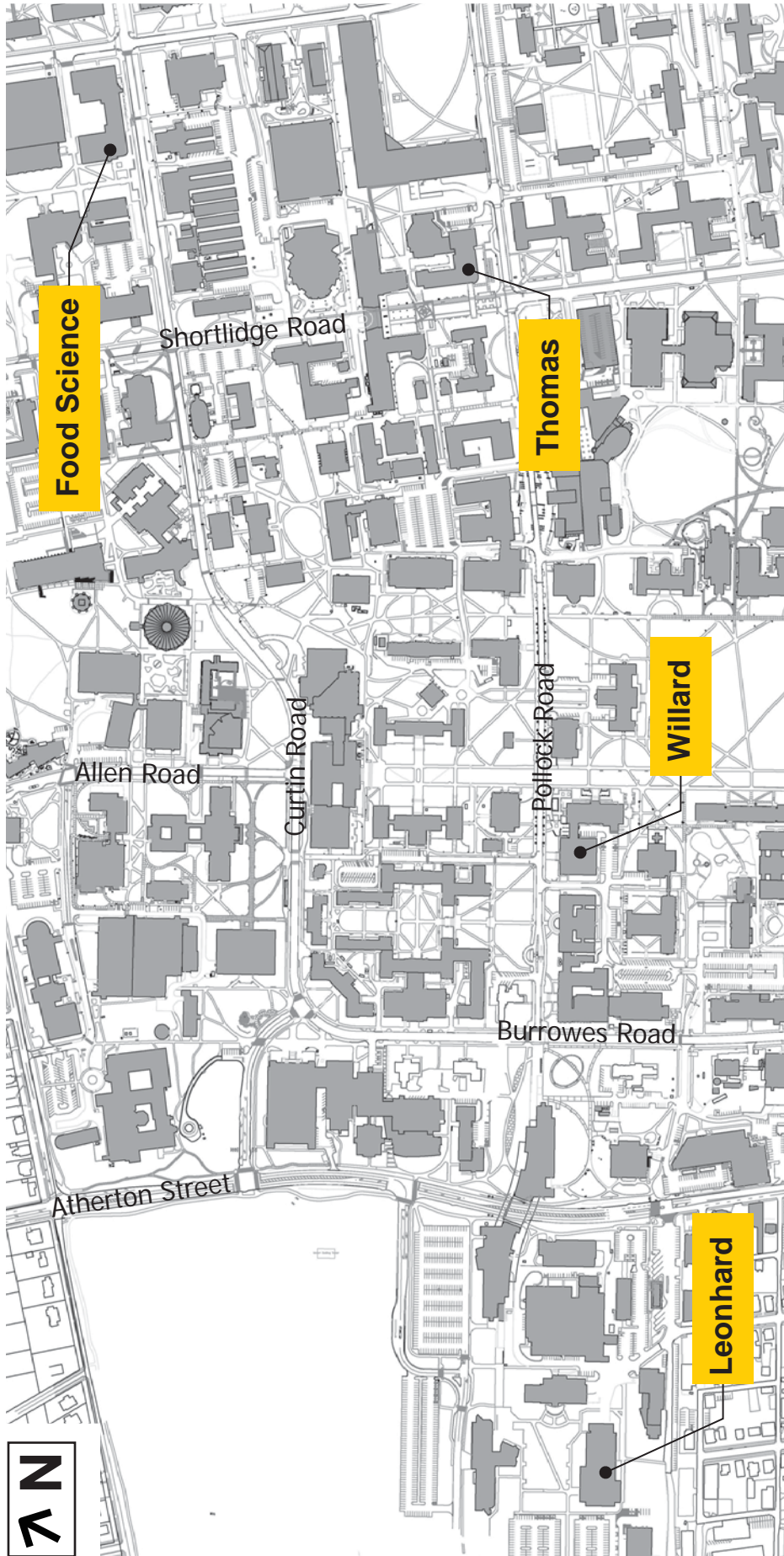


Field Hockey Complex
Turf Replacement

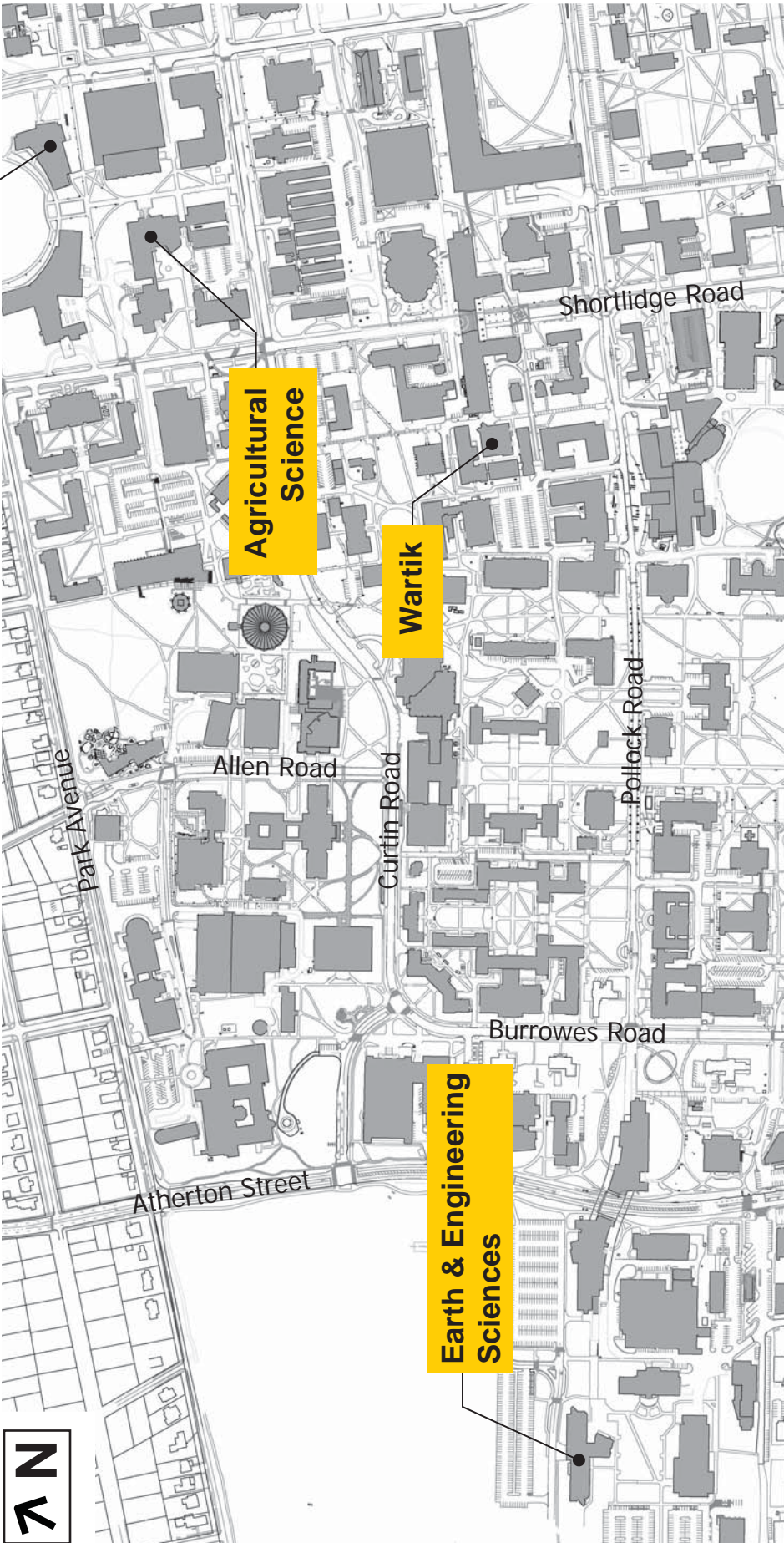
University Park



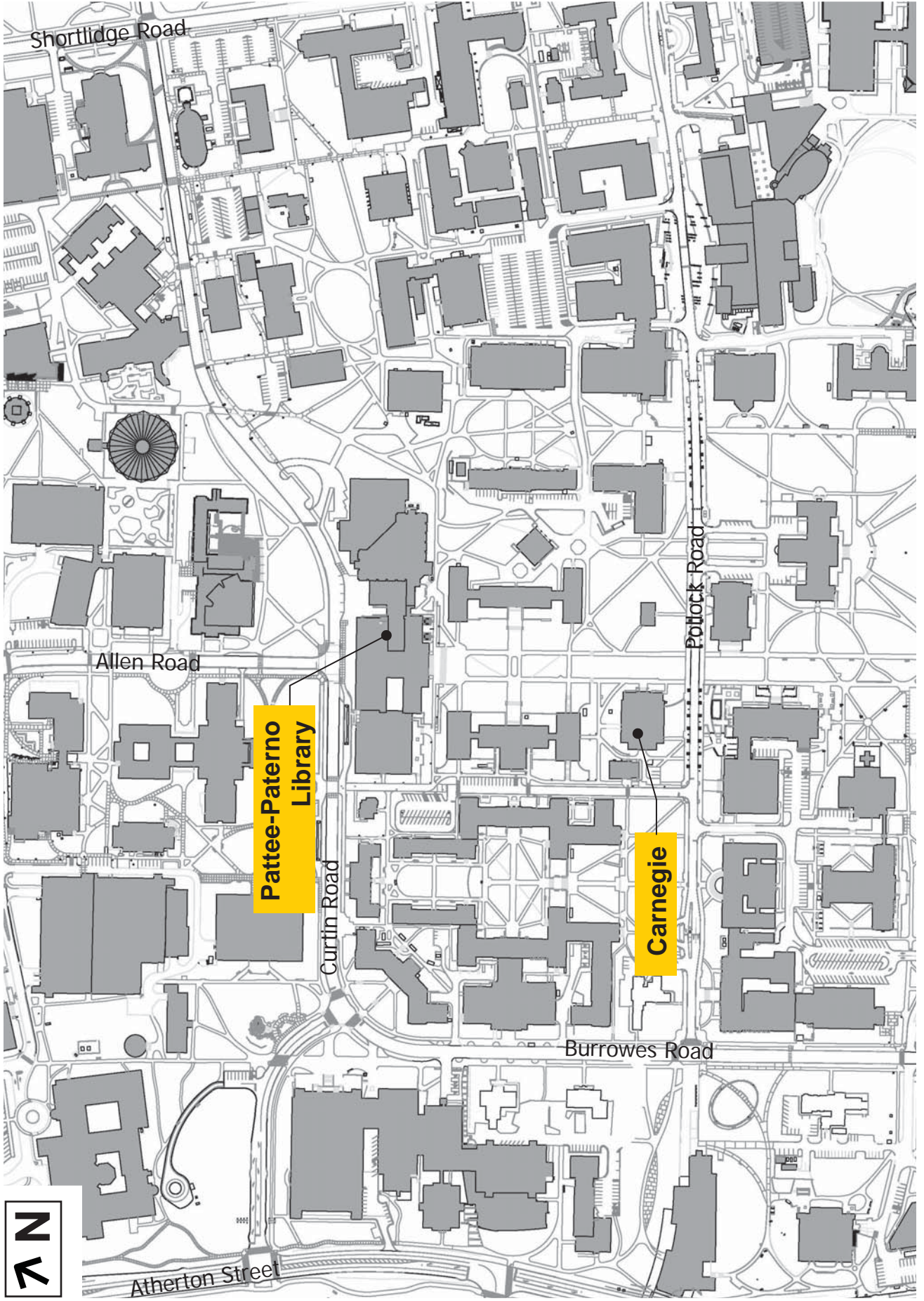
University Park



University Park



University Park

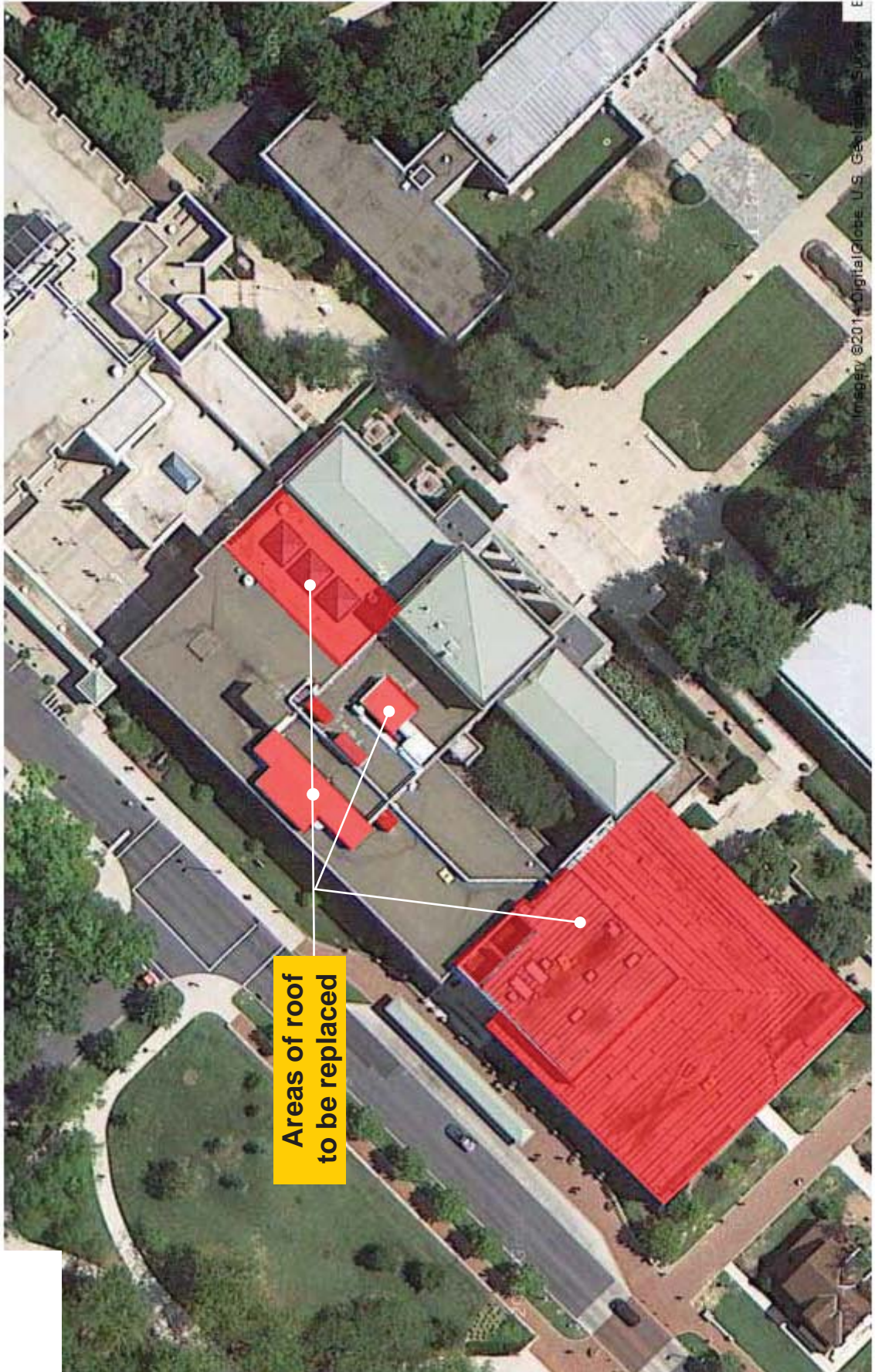


University Park



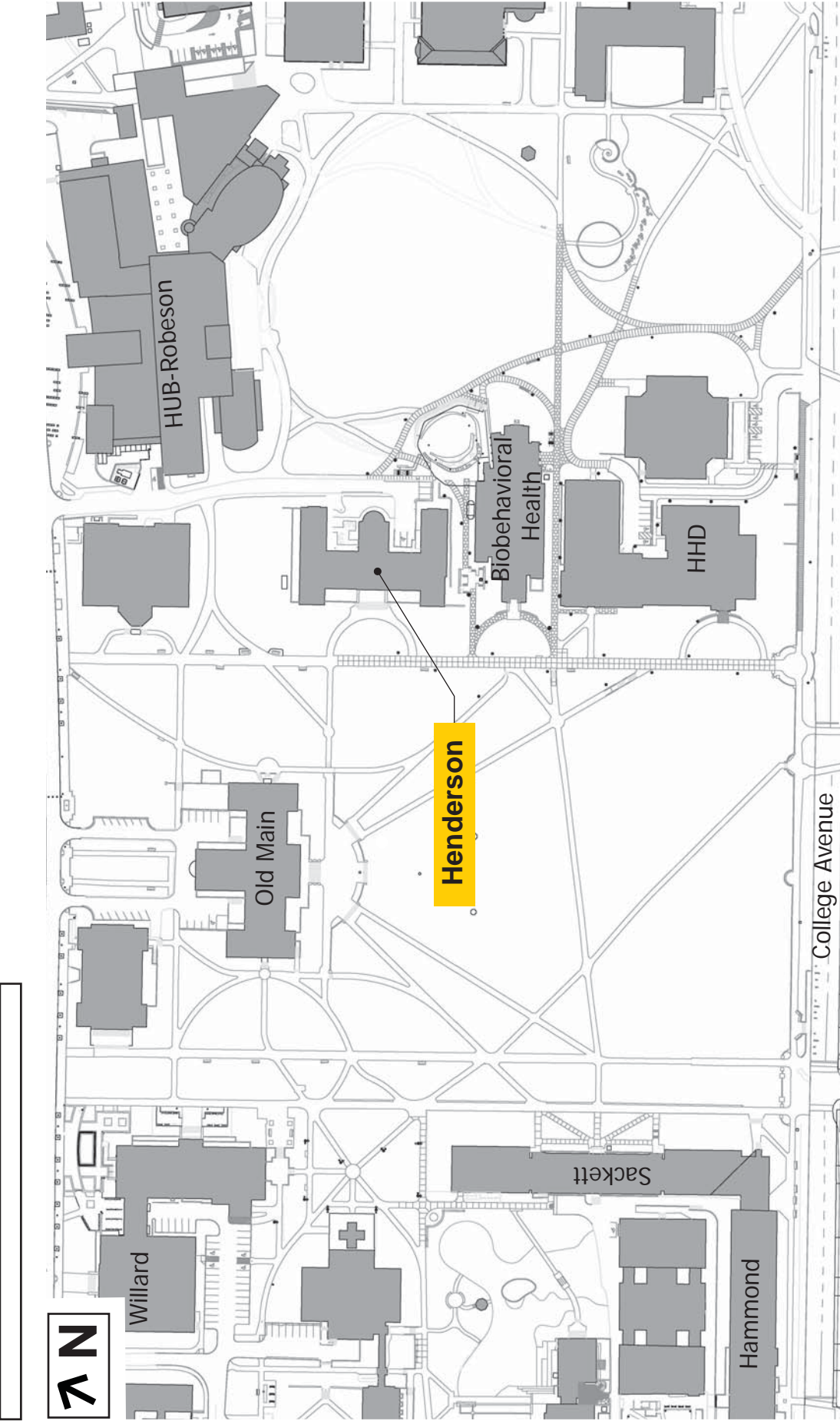
Carnegie Building Roof

University Park

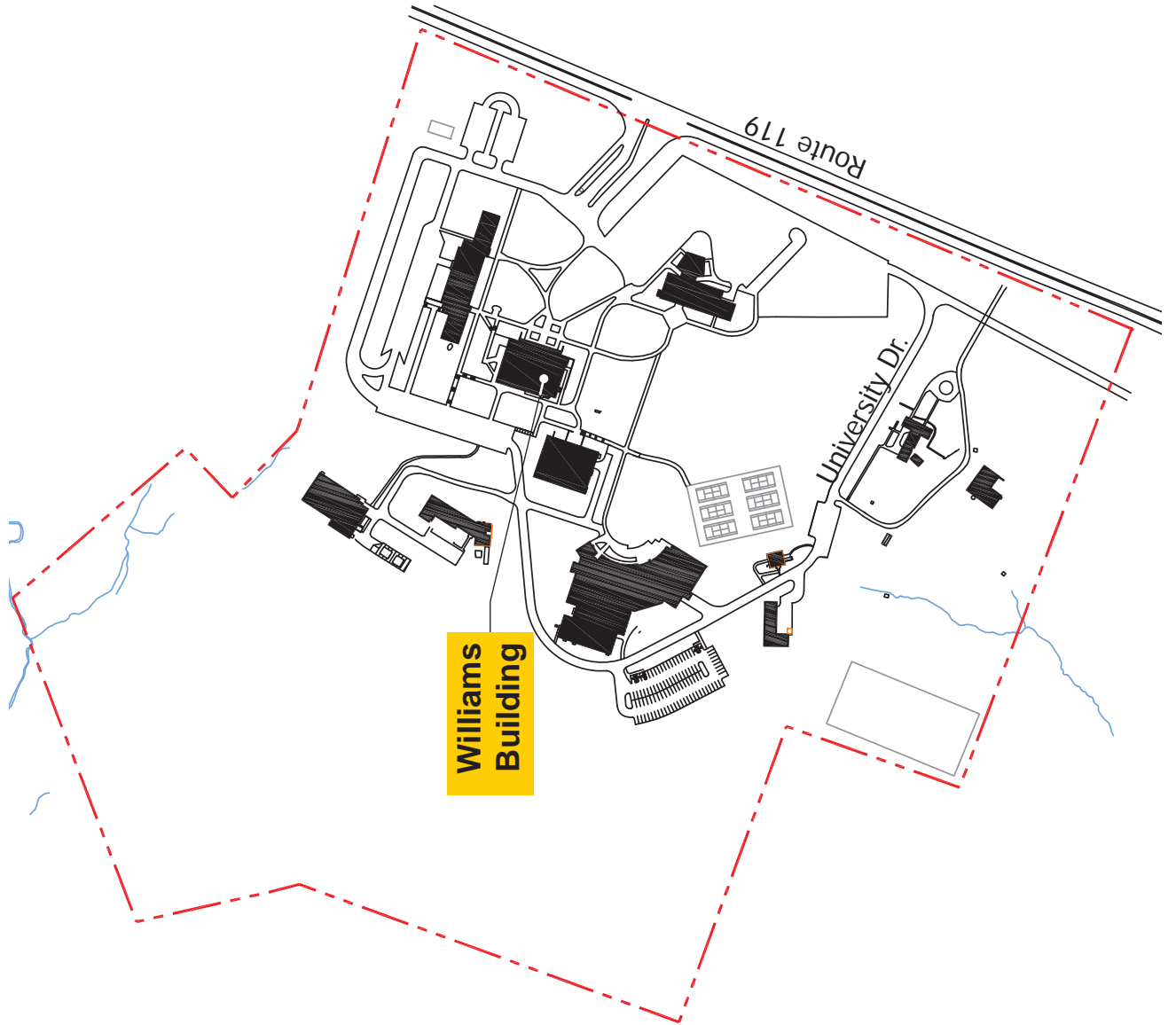


Pattee Library Roof

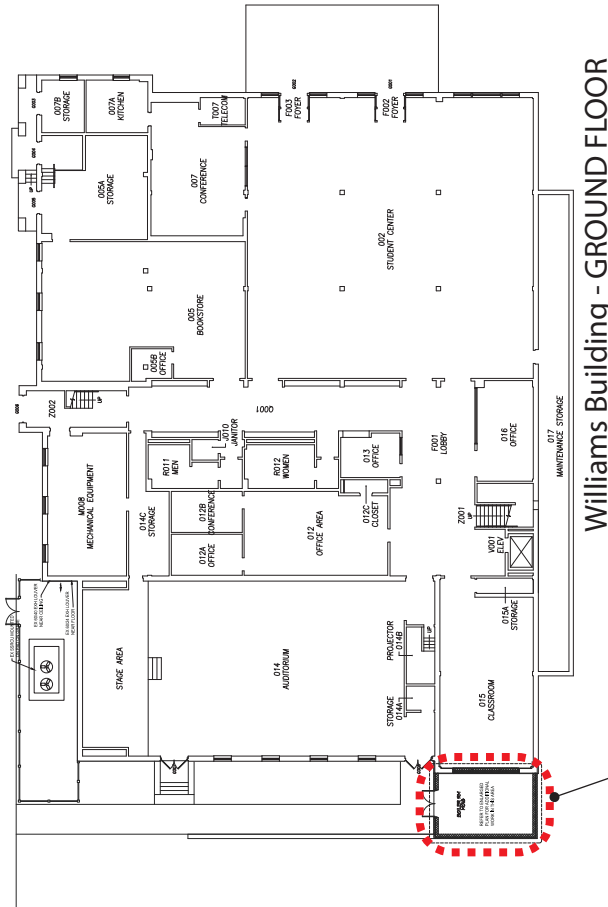
University Park



Penn State Fayette



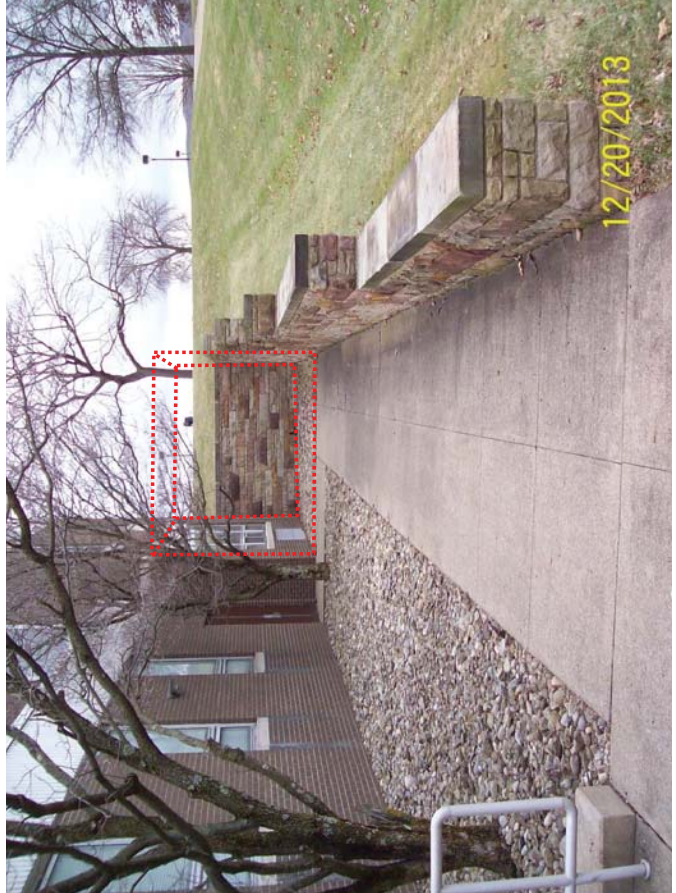
Penn State Fayette



Location of Mechanical Room Addition



Mechanical Room Addition Location - View from southwest

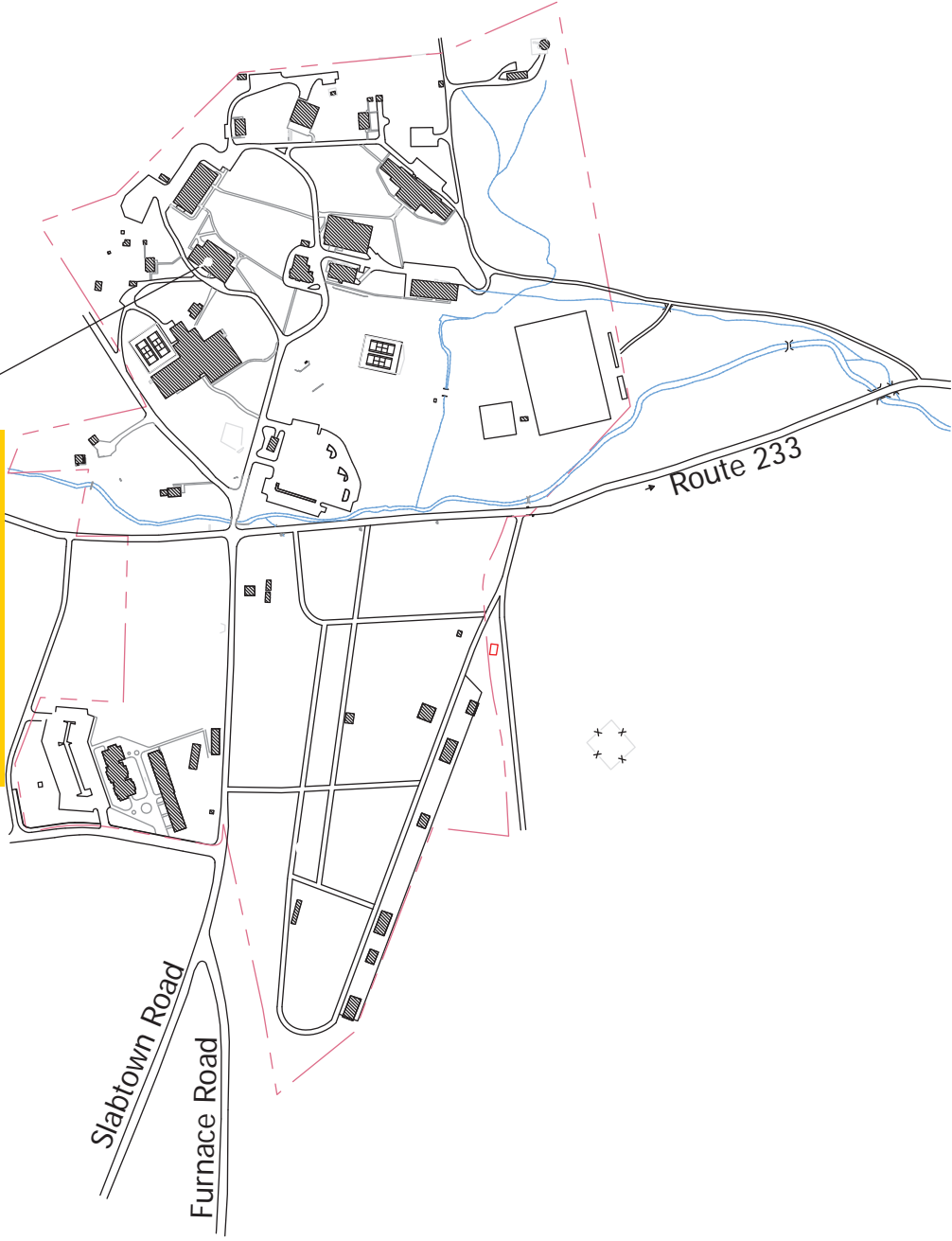


Mechanical Room Addition Location - View from west

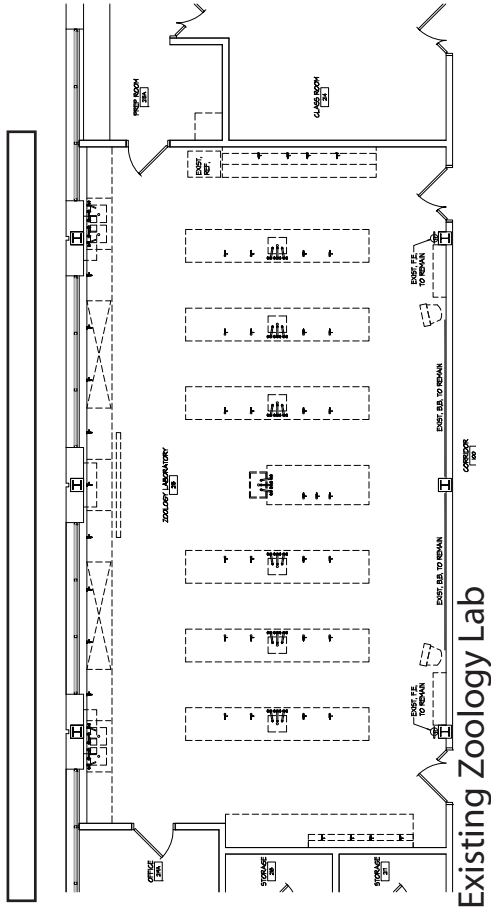
Penn State Mont Alto



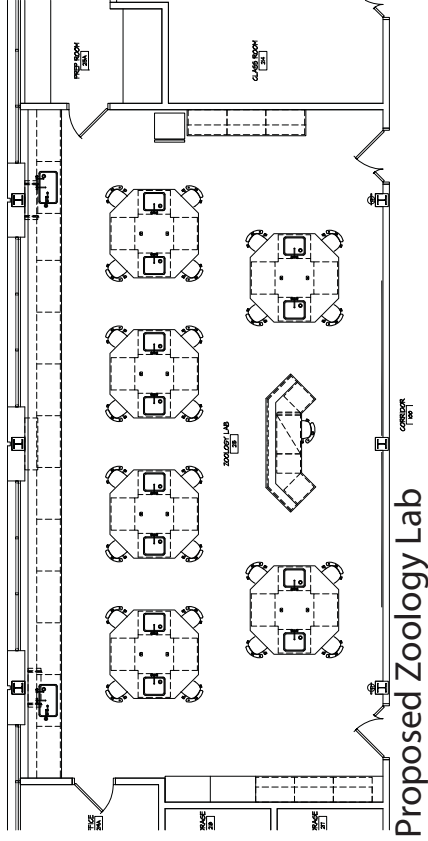
Science/Technology
Laboratory Building



Penn State Mont Alto

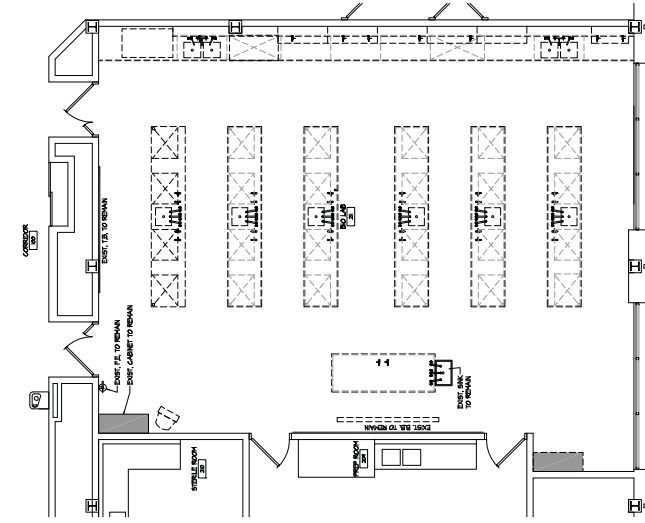


Existing Zoology Lab

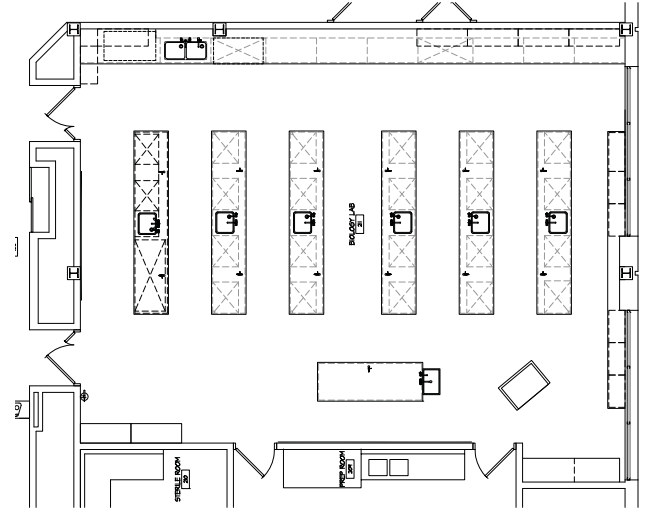


Proposed Zoology Lab

(Appendix II.12)



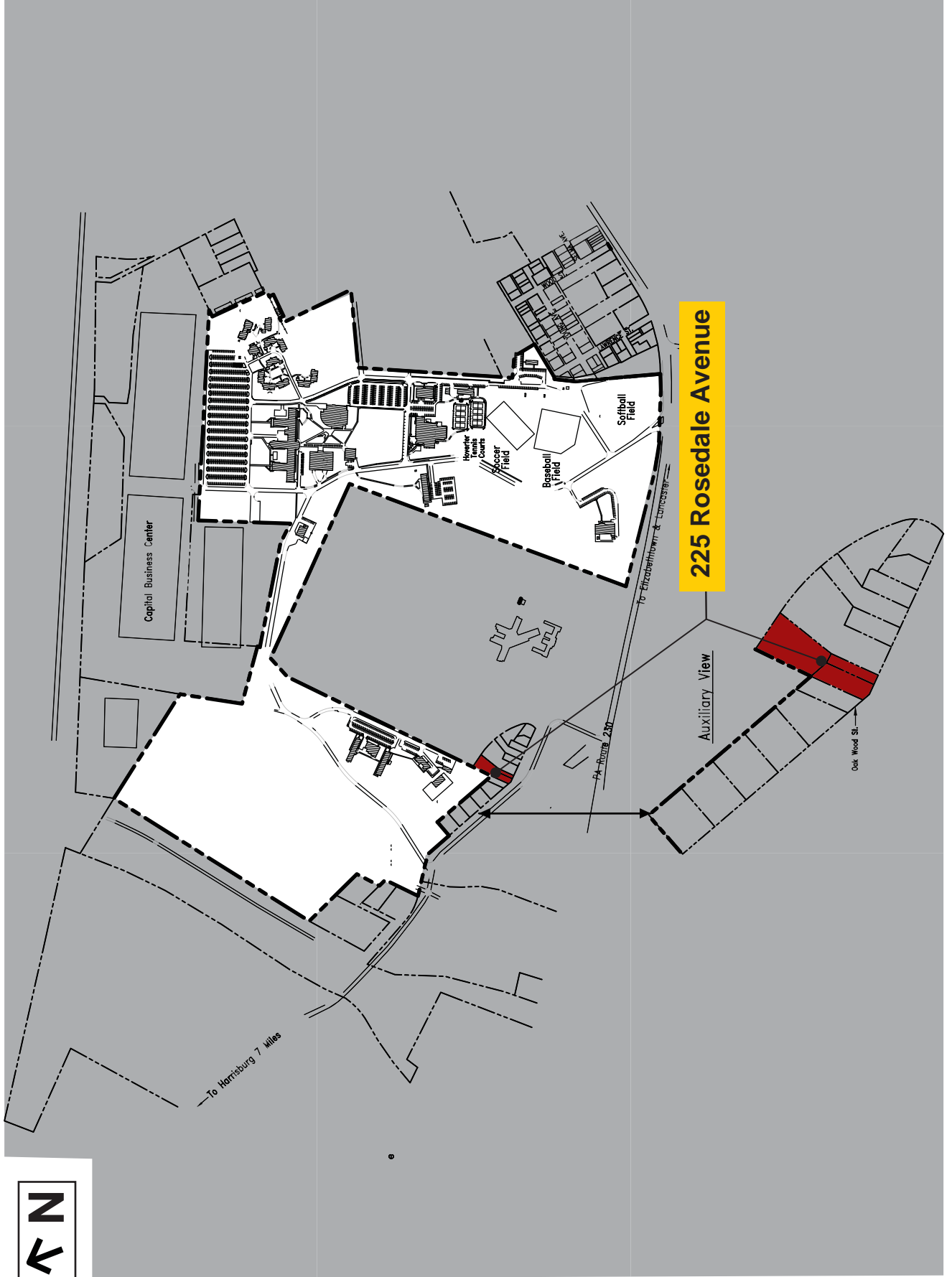
Existing Biology Lab



Proposed Biology Lab

SCIENCE/TECHNOLOGY LABORATORY BUILDING - SECOND FLOOR

Penn State Harrisburg





225 Rosedale Avenue - FRONT OF RESIDENCE



225 Rosedale Avenue - REAR OF RESIDENCE

Penn State Harrisburg

STATUS OF MAJOR CONSTRUCTION PROGRAMS AND BORROWING (> \$5 Million)
April 30, 2014

5/9/2014

FB&CP

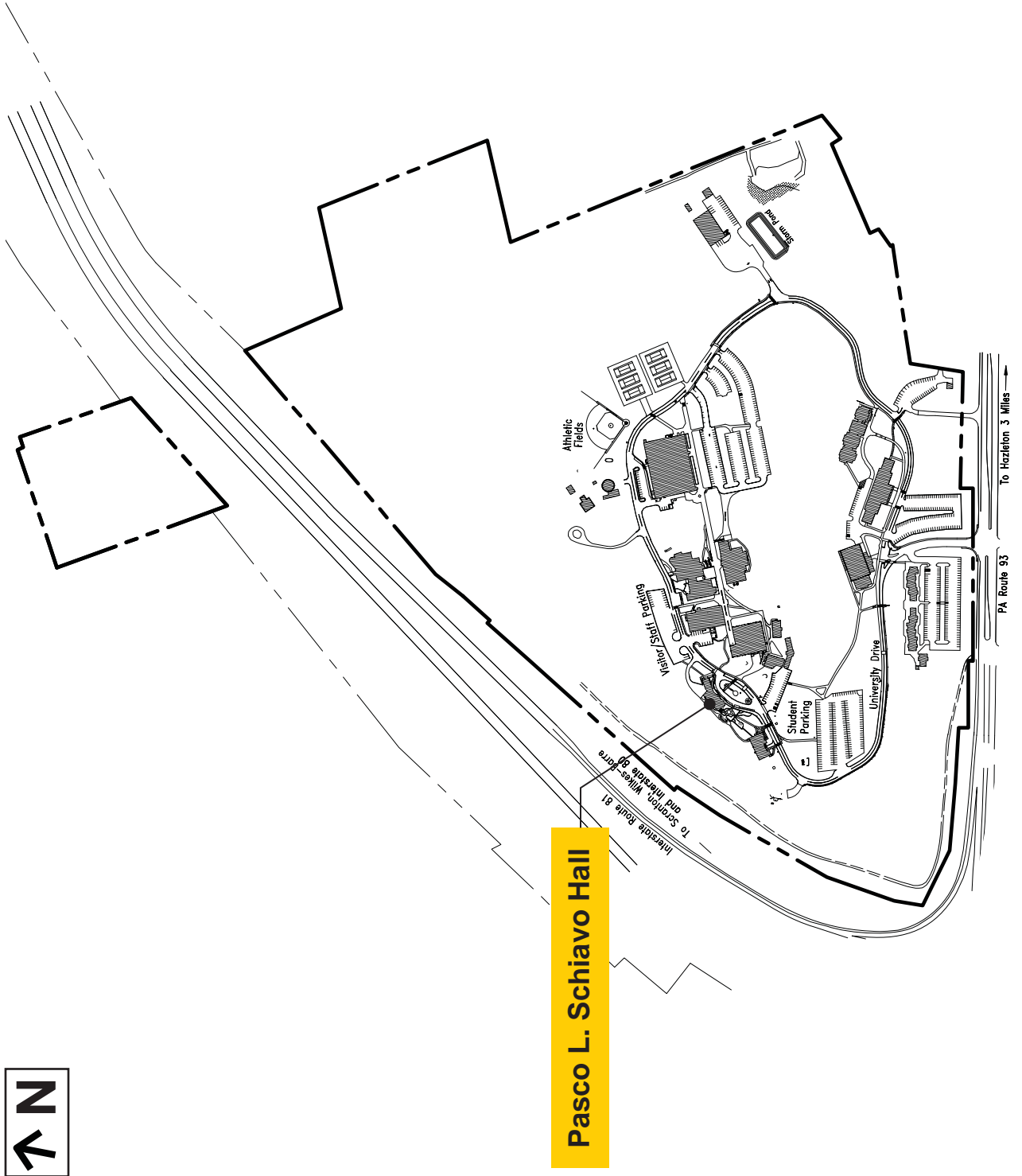
Campus	Project Data		Budget Amount	Commonwealth Funding	Gift Amount	BOT Milestones		Construction		Notes
	Project Name	Project Data				Arch/Eng Selection	Final Plan Approval	Start Date	Completion Date	
Abington	Woodland Building Renovation		\$7,000,000	\$0	\$0	01/13	11/13	04/14	10/14	Construction began in April 2014.
Beaver	Michael Baker Building Renovation		\$8,000,000	\$0	\$0	11/13	07/15	03/15	06/16	Project in design.
Berks	Luessen Building Renovation		\$15,000,000	\$11,400,000	\$0	03/13	07/14	08/14	12/15	Project in design.
Harrisburg	Educational Activities Building		\$19,500,000	\$0	\$0	11/11	01/13	02/13	05/14	Construction is approximately 80% complete.
	Student Enrichment Center		\$27,000,000	\$0	\$1,000,000	11/13	01/15	04/15	08/16	Project in design.
Hershey	Data Center		TBD	\$0	\$0	09/13	01/15	01/15	08/16	Project in design.
Philadelphia	EEB Hub, Building 061 and 7R, Philadelphia Navy Yard		\$39,000,000	\$30,000,000	\$0	09/11	01/13	02/13	07/14	Construction is approximately 70% complete.
York	Ruh Student Center and Multi-Purpose Building Addition and Renovation		\$10,500,000	\$0	\$1,000,000	11/13	01/15	03/15	06/16	Project in design.
	Beaver Stadium Video Boards / Sound System		\$10,000,000	\$0	\$0	07/11	07/13	12/13	08/14	Construction is approximately 40% complete.
	Burrows Building Renovation		\$37,800,000	\$0	\$0	09/12	01/14	02/14	12/15	Construction began in February 2014.
	CBL Cage Wash Addition		\$5,400,000	\$0	\$0	N/A	09/13	12/13	10/14	Construction is approximately 10% complete.
	Data Center		TBD	\$0	\$0	09/13	01/15	01/15	03/17	Project in design.
	East Campus Steam Line		\$13,500,000	\$11,000,000	\$0	N/A	03/11	06/11	07/14	Construction is approximately 90% complete with pending quality / performance issues.
	Environmental Improvements BFP Installations		\$10,500,000	\$7,000,000	\$0	N/A	N/A	06/08	08/14	Project program is approximately 80% complete.
	Essential Services Program		\$11,950,000	\$3,000,000	\$0	N/A	N/A	12/05	12/14	Project program is approximately 75% complete.
	Health and Human Development Building		\$58,500,000	\$52,300,000	\$0	01/08	11/12	03/13	05/15	Construction is approximately 35% complete.
	HFS Warehouse and Bakery Expansion		\$12,900,000	\$0	\$0	11/13	09/14	09/14	09/15	Project in design.
	HUB Addition		\$44,600,000	\$0	\$0	03/11	05/13	05/13	05/15	Construction is approximately 40% complete.
	IM Building Addition		\$26,110,000	\$0	\$0	01/11	01/13	02/13	04/14	Construction is complete.
	IM Building Addition Phase II		\$31,250,000	\$0	\$0	03/13	01/14	03/14	05/15	Construction began in March 2014.
	MRL Renovations		\$22,500,000	\$8,200,000	\$0	N/A	07/14	05/14	04/16	Project in design.
	Mueller Laboratory Renovations		\$20,700,000	\$0	\$0	03/12	01/14	05/14	07/15	Construction to begin in May 2014.
	Old Main Building Systems Renovation Phase I		\$11,000,000	\$0	\$1,500,000	09/11	11/12	01/13	03/14	Construction is approximately 98% complete.
	South Fear Phase II Renovations		\$18,100,000	\$0	\$0	01/12	01/13	02/13	08/14	Construction is approximately 70% complete.
	South Halls Renovations and New Building		\$94,100,000	\$0	\$0	3/11, 11/11	03/12	05/12	12/14	Construction is approximately 74% complete.
	Staidle Renovation		\$52,000,000	\$0	\$0	03/12	05/14	05/14	11/15	Bids received. GIMP from CM under review.
	Transformer Replacement Program		\$11,100,000	\$1,000,000	\$0	N/A	N/A	06/07	07/15	Project program is approximately 80% complete.
	Tyson Building HVAC Upgrades and Roof Replacement		\$5,200,000	\$4,100,000	\$0	N/A	03/14	05/14	08/15	Construction to begin in May 2014.
	Water Treatment Plant and Distribution System Upgrades		\$44,300,000	\$37,500,000	\$0	01/11	01/15	03/15	10/16	Project in design.
	WCSP Steam Turbine Replacement		\$9,200,000	\$0	\$0	01/11	01/13	12/13	11/15	Construction is approximately 5% complete.
	WCSP Steam Production Modifications		\$57,300,000	\$0	\$0	01/11	11/12	02/14	01/17	Construction began in February 2014.
	West Campus Chilled Water Plant 3000 Ton Chiller		\$16,200,000	\$0	\$0	01/12	09/12	11/12	08/14	Construction is approximately 70% complete.
	Whitmore Laboratory Renovations		\$32,900,000	\$0	\$0	03/12	09/14	01/15	12/16	Project in design.

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

Total Bonds, Notes and Capital Leases as of June 30, 2013	\$867,404	Authorized Borrowing Status - \$(000) (excluding PCT)	
Bonds, Notes, and Capital Leases Issued Year to Date Fiscal Year 2013/14	\$3,464	Borrowing Authority per September 2013 Board of Trustees	\$750,000
Year to Date Principal Payments and Premium Amortizations	(\$39,151)	Capital Leases, Bonds, & Notes Issued	(\$3,464)
Total Bonds, Notes and Capital Leases as of April 30, 2014	\$831,717	Future Capitalized Leases & Other Anticipated Commitments	(\$52,360)
		Estimated Authority Remaining	\$714,156

* Related Interest Expense Totals Approximately \$32,394

Penn State Hazleton



Pasco L. Schiavo Hall

PENNSTATE



Board of Trustees

(814) 865-2521
FAX: (814) 863-4631The Pennsylvania State University
205 Old Main
University Park, PA 16802-1571

DATE: April 28, 2014

FROM: Jeanie Andrews

TO: Members of the Board of Trustees

Attached is a draft of proposed amendments to the *Charter, Bylaws* and *Standing Orders*, as approved by the Governance and Long Range Planning Committee at its meeting on Thursday, March 6, 2014. These amendments may be recommended for approval at the May Board meeting.

While not mandated, the Governor has traditionally opted to designate one of the six governor-appointed Board seats to a student. That tradition has not been formally codified, and the Committee believes that it is imperative to ensure that a successor to Peter Khoury is named and confirmed by the Pennsylvania Senate prior to the July 2014 meeting. Should the governor-appointed student seat not be confirmed prior to the May Board meeting, this proposed amendment would ensure that a student presence on the Board at the important July meeting. If the Board leadership has assurances that such confirmation would be forthcoming in time for gubernatorial-appointed presence at the July meeting, this attached proposal would be pulled from the agenda.

Attachments

cc/att: Frank T. Guadagnino
Thomas G. Poole

**May 9, 2014 Board of Trustees
Agenda Item 5.E.1**

1. Changes to the Charter

NUMBER OF TRUSTEES

The number of trustees of said institution shall be fixed at **thirty three**. (Act of February 22, 1855, P.L. 46, sec. 3, 24 Purd. Comp. Stat. sec. 2533; Decree of the Court of Common Pleas of Centre County, November 22, 1875, No. 235, November Term, 1875; Decree of the Court of Common Pleas of Centre County, June 15, 1915, No. 162, May Term, 1915; Decree of the Court of Common Pleas of Centre County, February 23, 1925, No. 130, February Term, 1925; Decree of the Court of Common Pleas of Centre County, July 19, 1951, No. 218, February Term, 1951; **Resolution of the Board of Trustees, [date], 2014**)

MEMBERSHIP OF THE BOARD

- (1) Ex Officio Members: The Secretary of Education, the Secretary of Agriculture and the Secretary of Conservation and Natural Resources of the Commonwealth shall be ex officio voting members of the Board and the President of The Pennsylvania State University and the Governor of the Commonwealth shall be ex officio non-voting members of the Board. (Act of February 22, 1855, P.L. 46, sec. 3, 24 Purd. Comp. Stat. sec. 2533; Decree of the Court of Common Pleas of Centre County, November 22, 1875, No. 235, November Term, 1875; Act of June 2, 1893, P.L. 272, sec. 1; Decree of the Court of Common Pleas of Centre County, June 15, 1915, No. 162, May Term, 1915; Decree of the Court of Common Pleas of Centre County, February 23, 1925, No. 130, February Term, 1925; Decree of the Court of Common Pleas of Centre County, July 19, 1951, No. 218, February Term, 1951; Resolution of the Board of Trustees, November 22, 2013)
- (2) Members Appointed by the Governor: Six trustees shall be appointed by the Governor of the Commonwealth. (Decree of the Court of Common Pleas of Centre County, June 15, 1915, No. 162, May Term, 1915; Decree of the Court of Common Pleas of Centre County, February 23, 1925, No. 130, February Term, 1925)
- (3) Members Elected by the Alumni: Nine trustees shall be elected by the General Alumni Association of the University. (Decree of the Court of Common Pleas of Centre County, November 22, 1875, No. 235, November Term, 1875; Decree of the Court of Common Pleas of Centre County, June 15, 1915, No. 162, May Term, 1915; Decree of the Court of Common Pleas of Centre County, February 23, 1925, No. 130, February Term, 1925)
- (4) Members Elected by Organizations: Six trustees, who shall be members of and represent the following named societies and associations, to be elected by three delegates from each county in the Commonwealth representing organized agricultural societies or associations of the said county. (Act of February 22, 1855, P.L. 46, sec. 5, 24 Purd. Comp. Stat. sec. 2535; Decree of the Court of Common Pleas of Centre County, November 22, 1875, No. 235, November Term, 1875; Decree of the Court of Common Pleas of Centre County, June 15, 1915, No. 162, May Term, 1915; Decree of the Court of Common Pleas of Centre County, February 23, 1925, No. 130, February Term, 1925; Decree of the Court of Common Pleas of Centre County, July 19, 1951, No. 218, February Term, 1951)

- (5) Members Elected Representing Business and Industry: Six trustees representing business and industry endeavors shall be elected by the Board of Trustees. (Resolution of the Board of Trustees, November 22, 2002)
- (6) Member Elected Representing the Student Body. A trustee representing the student body shall be elected by the Board of Trustees. (Resolution of the Board of Trustees, [Date] 2014)

2. Changes to the Bylaws:

Section 2.01 Number, Election and Term of Office. The affairs of the University shall be managed by a Board of Trustees.

- (a) The number of Trustees which shall constitute the full Board of Trustees shall be **thirty three (33)** as set forth herein.
- (i) Ex Officio Voting Members. The Secretary of Education, the Secretary of Agriculture and the Secretary of Conservation and Natural Resources shall be ex officio voting members of the Board of Trustees.
 - (ii) Ex Officio Non-Voting Members. The Governor of the Commonwealth of Pennsylvania and the President of the University shall be ex officio, non-voting members of the Board of Trustees.
 - (iii) Members Appointed by the Governor. Six Trustees shall be appointed by the Governor of the Commonwealth of Pennsylvania.
 - (iv) Members Elected by the Alumni. Nine Trustees shall be elected by the alumni of the University.
 - (v) Members Elected by Organizations. Six Trustees, who shall be members of and represent organized agricultural societies and associations, to be elected by three delegates from each county in the Commonwealth representing organized agricultural societies or associations of the said county.
 - (vi) Members Elected Representing Business and Industry. Six trustees representing business and industry endeavors shall be elected by the Board of Trustees.
 - (vii) **A Member Elected Representing the Student Body. A trustee representing the student body of the University shall be elected by the Board of Trustees.**
- (b) Each Trustee (**other than the Trustee elected pursuant to Section 2.01(a)(vii)(the “Student Trustee”)**) shall serve for a term of three (3) years. **The Student Trustee shall serve for a term of two (2) years unless such Student Trustee ceases to meet all of the criteria set forth in Section 2.02(b), in which case such term shall expire on the date that such Student Trustee no longer meets such criteria].** Term limits for Trustees (other than ex officio Trustees) will be 12 years, effective with terms beginning July 1, 2013 or thereafter. This provision for term limits shall not apply to members of the Board of Trustees while serving in the capacity as Chair of the Board of Trustees. Such individuals will be considered eligible for re-election or re-appointment as a member by the respective constituent group. For Trustees with terms beginning prior to July 1, 2003, the previously enacted 15 year term limit is effective as of July 1, 2003. For Trustees with terms beginning on July 1, 2003 through and including July 1, 2012, the previously enacted 15 year term limit is effective with the date of such Trustee’s initial election or appointment. The Trustees shall be separated into three groups of substantially equal number so that the terms of

approximately one third of the Trustees shall expire each year. Each Trustee shall serve until his or her term expires, and thereafter until such Trustee's successor is duly elected, or until such Trustee's earlier death or resignation.

Section 2.02 Qualifications for Membership.

(a) Members of the Board of Trustees shall be natural persons of full age who need not be residents of the Commonwealth of Pennsylvania. A person who is employed in any capacity by the University shall not be eligible to serve as a member of the Board of Trustees. This qualification for membership shall not apply to a person who is an ex officio member of the Board of Trustees, nor to a person who is a student employed part-time by the University. A person shall not be eligible to serve as a member of the Board of Trustees for a period of five (5) years from the July 1 coincident with or next following the date of (i) last employment in any capacity by the University or (ii) the last day of such person's employment with the Commonwealth of Pennsylvania as Governor, Lieutenant Governor, Attorney General, Auditor General or State Treasurer. This qualification for membership shall not apply to a person who is an ex officio member of the Board of Trustees, nor to a person who is a student employed part-time by the University. Only graduates of The Pennsylvania State University who shall have received an associate degree, a bachelor's degree, or an advanced degree from the University shall be eligible to serve as a trustee elected by the alumni. No member of the faculty or the governing board of any other college or university in Pennsylvania shall be eligible to serve as a trustee elected by the alumni.

(b) The Student Trustee shall be an undergraduate, graduate, professional or World Campus student, in good academic standing and in a degree seeking program at any University location.

3. Changes to the Standing Orders.

[THIS WOULD BE A NEW STANDING ORDER, WITH THE OTHER STANDING ORDERS RENUMBERED AS APPROPRIATE]

ORDER IV. SELECTION GROUP ON BOARD MEMBERSHIP FOR STUDENT TRUSTEE (see also the Charter and the Bylaws)

The Selection Group on Board Membership for the Student Trustee shall be composed of five members (the incumbent Student Trustee, the President of the University Park Undergraduate Association, the President of the Graduate Student Association, the President of the Council of Commonwealth Student Governments and the Vice President of the University Park Undergraduate Association or the Council of Commonwealth Student Governments, as appropriate, then serving on a committee of the Board of Trustees). The Selection Group shall recommend, in accordance with guidelines established by the Board of Trustees from time to time, a candidate for membership on the Board of Trustees representing the student body of the University. The name and qualifications of the candidate shall be submitted for confirmation by the Board of Trustees (approval or rejection of the recommended candidate only).