

11/5/2010

BOT 1

10:15 a.m. -

1. **Roll Call**

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

Will the Board of Trustees approve the minutes of the meeting of the Board held on September 17, 2010?

3. **President's Report**

11:15 a.m. -

4. **Progress Report on *For the Future: The Campaign for Penn State Students***

Mr. Rodney P. Kirsch, Senior Vice President for Development and Alumni Relations, will provide a progress report on *For the Future: The Campaign for Penn State Students* and University Development.

5. **Informational Report on Enrollment and Student Financial Aid**

Dr. Robert N. Pangborn, Vice President and Dean for Undergraduate Education, will present the annual informational report on Penn State's admissions, enrollment and financial aid, and convene a panel including Ms. Anne L. Rohrbach, Executive Director for Undergraduate Admissions, and Ms. Anna M. Griswold, Assistant Vice President for Undergraduate Education and Executive Director for Student Aid, to respond to questions.

1:30 p.m. -

6. **Reports from Standing Committees**

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

A. **Committee on Campus Environment** - Rodney P. Hughes, Chair

B. **Committee on Educational Policy** - David M. Joyner, Chair

C. **Committee on Finance and Physical Plant** - Linda B. Strumpf, Chair

1) **Discussion of Consent Agenda Items Provided for Information or Approval of the Committee on Finance and Physical Plant:**

Information Items -

- a) Broadcasting Facility at Recreation Hall, University Park
- b) Item Withdrawn From Consideration
- c) Forestry Meadow Wing Slab Remediation, University Park
- d) West Campus Chilled Water Plant Upgrades - Cooling Tower Purchase, University Park
- e) Scoreboards at Recreation Hall, University Park
- f) Hospital South Addition Roof Replacement, The Milton S. Hershey Medical Center
- g) Naming of Rooms, Portions of Buildings, and Plazas
- h) Purchase of Dreibelbis Property, University Park

6. Reports from Standing Committees (Continued)**C. Committee on Finance and Physical Plant** (Continued)**1) Discussion of Consent Agenda Items Provided for Information or Approval of the Committee on Finance and Physical Plant:** (Continued)

- i) Status of Major Construction Programs and Borrowing
- j) Conflict of Interest Disclosure

Action Items -

- k) Summary of Revisions to Existing Scholarships, Fellowships, Etc.
- l) Acknowledgments of Endowments and Other Major Commitments

(See Appendix I)

2) Conflict of Interest - Approval of Subcontract with AccuWeather, Inc.

The Bylaws of the University, Article 6(1), provide that, "No member of the Board of Trustees, any member's spouse or any corporation, partnership, association or other organization in which one or more members of the Board of Trustees, or any member's spouse or dependent child has a beneficial ownership of ten (10%) percent or more, shall enter into any contract or transaction valued at \$10,000 or more with the University unless the contract has been awarded through an open and public bidding process, in accordance with University Purchasing Policy, or has been fully disclosed to the Board of Trustees and approved by the affirmative votes of a majority of the disinterested members of the Board of Trustees. Full disclosure shall mean disclosure of the material facts as to the relationship or interest of the member or members of the Board of Trustees, or spouse or dependent child of such member or members, and disclosure of the material facts as to the contract or transaction, including a sole source justification. Approval by a majority of disinterested members of the Board of Trustees shall be valid even though the disinterested members are less than a quorum. The member or members interested in the contract or transaction may be counted in determining the presence of a quorum, may briefly state a position on the contract or transaction, and may answer pertinent questions concerning the contract or transaction, but such member or members shall not vote on the matter. The minutes of the meeting shall reflect that disclosure was made, the abstention from voting by the interested member or members and the approval by a majority of disinterested members. A record of such contracts or transactions shall be maintained in the office of the senior vice president for finance and business and shall be available for inspection by members of the Board of Trustees."

Trustee Joel Myers has a beneficial ownership of more than 10 percent of AccuWeather, Inc. It is proposed that the University, through the Office of Sponsored Programs, enter into a subcontract agreement with AccuWeather, Inc., based on the following background.

The National Science Foundation awarded a contract to the University with a 3-year period of performance, starting on September 1, 2010. The \$655,951 contract entitled, "CDI-Type I: International Collaboration to Study Oceanic Currents Phenomena and Climate Changes Through Cross-Mining and Retrieving Multispectral Satellite Image and Sensor Network Data," includes a subcontract to AccuWeather, Inc. in the amount of \$149,997.

6. Reports from Standing Committees (Continued)**C. Committee on Finance and Physical Plant** (Continued)**2) Conflict of Interest - Approval of Subcontract with AccuWeather, Inc.**
(Continued)

As proposed to the National Science Foundation, the AccuWeather team will work with the Penn State Team to define and prioritize research questions; assist the Penn State team to obtain imagery and other data; work with Penn State researchers on interpreting the research findings and drafting joint publications and presentations, and; if needed, assist the Principal Investigator in managing the project.

Will the Committee on Finance and Physical Plant recommend to the Board of Trustees adoption of the following resolution:

RESOLVED, that the subcontract with AccuWeather, Inc. to provide support to the contract entitled, "CDI -Type I: International Collaboration to Study Oceanic Currents Phenomena and Climate Changes Through Cross-Mining and Retrieving Multispectral Satellite Image and Sensor Network Data," in the amount of \$149,997 is approved.

3) Proposed Appointment of an Architect for Henderson Building - Phase II, University Park

At its January 2008 meeting, the Board of Trustees appointed Bohlin Cywinski Jackson as architects for the final design of Phase I and schematic design for Phase II of the Henderson Building additions at University Park.

At the time of the appointment, the University was only prepared to proceed with design and construction of Phase I, but continuity of design was desired for the entire complex. The University is now prepared to proceed with Phase II, renovations and additions to Henderson South, and the administration is satisfied with the schematic design that Bohlin Cywinski Jackson has prepared. Therefore, we recommend appointing Bohlin Cywinski Jackson to complete the final design of Henderson Building - Phase II.

Will the Committee on Finance and Physical Plant recommend to the Board of Trustees adoption of the following resolution:

RESOLVED, That Bohlin Cywinski Jackson of Wilkes-Barre, Pennsylvania, is the architect of record for the final plans for Henderson Building - Phase II, renovations and additions to Henderson South, University Park.

4) Appointment of Non-University Employee to the Penn State Investment Council

In September 2000, Penn State's Board of Trustees established the Penn State Investment Council to provide direct oversight of the University's endowment and long-term investment program. The Penn State Investment Council, appointed by the Board of Trustees, includes the: Senior Vice President for Finance and

6. Reports from Standing Committees (Continued)**C. Committee on Finance and Physical Plant** (Continued)**4) Appointment of Non-University Employee to the Penn State Investment Council** (Continued)

Business/Treasurer of the University (Chair); Executive Director, Office of Investment Management; and five to nine non-University members, each serving three-year, staggered, renewable terms.

Will the Committee on Finance and Physical Plant recommend to the Board of Trustees adoption of the following resolution:

RESOLVED, That the following non-University employee of the Penn State Investment Council is appointed for a term ending 2011:

- Gary Glynn, President and Chief Investment Officer, US Steel and Carnegie Pension Fund (New York, NY)

5) Proposed Appointment of an Architect, Ice Arena, University Park

The Subcommittee on Architect/Engineer Selection will make a report and recommendation on the appointment of an architect for the Ice Arena at University Park.

6) Proposed Final Plans and Authorization to Award Contracts, Biological Research Laboratory, University Park

The University is planning to construct a 20,342 square feet Biological Research Laboratory at University Park to help address the critical need for research space with proper containment facilities and diagnostic analysis capabilities.

Will the Committee on Finance and Physical Plant recommend to the Board of Trustees adoption of the following resolutions:

RESOLVED, That the final plans for the new Biological Research Laboratory as designed by the firm of Payette Associates of Boston, Massachusetts, are approved.

BE IT FURTHER RESOLVED, That authorization to award contracts to construct the project be approved at a cost of \$23,000,000 from funds available to the University.

7) Proposed Final Plans and Authorization to Award Contracts, Pollock Dining Commons Renovations, University Park

The University is planning to renovate the Pollock Dining Commons at University Park. This project will renew 26,600 square feet of Campus Dining and Food Service area. The scope of work includes the replacement of building systems, installation of sprinklers, new windows (2nd Floor), new entrance canopy, and new finishes throughout the 2nd floor dining facility.

6. Reports from Standing Committees (Continued)**C. Committee on Finance and Physical Plant** (Continued)**7) Proposed Final Plans and Authorization to Award Contracts, Pollock Dining Commons Renovations, University Park** (Continued)

Will the Committee on Finance and Physical Plant recommend to the Board of Trustees adoption of the following resolutions:

RESOLVED, That the final plans for the Pollock Dining Commons Renovations as designed by the firm of Mesher Shing McNutt of Seattle, Washington, are approved.

BE IT FURTHER RESOLVED, That authorization to award contracts to construct the project be approved at a cost of \$11,700,000 from funds available to the University.

8) Proposed Changes in Room and Board Charges for the 2011 Fall Semester, The Pennsylvania State University

It will be necessary to increase room and board charges effective for the 2011 Fall Semester because of increased operating and facility maintenance costs. Appendix II provides details of the Housing and Food Service Budget Presentation for 2011-2012, as well as the proposed rates at University Manor, The Milton S. Hershey Medical Center.

Will the Committee on Finance and Physical Plant recommend to the Board of Trustees adoption of the following resolution:

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.

(See Appendix II)

9) Report on Audited Financial Statements

Comments about the University's Audited Financial Statements will be made by Joseph J. Doncsecz, Corporate Controller. A representative from Deloitte & Touche will also be in attendance at the meeting.

(Copies of the Audited Financial Statements will be mailed to Trustees under separate cover.)

10) Photo Report on Selected Construction Projects

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

7. Legal Matters

Cynthia A. Baldwin, Vice President and General Counsel, will present an informational report on University legal matters and/or policies normally considered by a Standing Committee of the Board.

8. **Proposed Appointment of a Screening Committee for the Distinguished Alumni Award**

Will the Board of Trustees authorize the Chairman of the Board to appoint a committee to screen all nominees for the Distinguished Alumni Award, and present a slate at the January 2011 meeting?

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

The Pennsylvania State University
Proposed Room and Board Rates
 Effective Fall 2011

Schedule I

Undergraduate Residence Hall Room
Rates/Person/Semester
 (Meal Plan Required)

Room Description	Number of Occupants	Current Rate	Proposed Rate	Proposed Increase
Standard Triple	3	\$2,030	\$2,130	\$100
Triple	3	2,325	2,440	115
Quad	4	2,030	2,130	100
Standard Double	2	2,270	2,385	115
Double	2	2,595	2,720	125
Double Small	2	1,690	1,775	85
Standard Triple as Double	2	2,270	2,385	115
Standard Quad as Triple	3	2,270	2,385	115
Standard Triple/Bath	3	2,270	2,385	115
Standard Double/Bath	2	2,425	2,545	120
Standard Single	1	3,020	3,200	180
Single	1	3,460	3,670	210
Single/Bath	1	3,860	4,095	235
Large Single/Bath	1	4,085	4,360	275
Standard Double as Single	1	3,070	3,255	185
Double as Single	1	3,500	3,710	210
RA Double/Single	1	1,565	1,595	30
RA Single	1	1,565	1,595	30
RA Double/Double	2	1,300	1,325	25
Standard Double Suite	2	2,665	2,800	135
Standard Single Suite/Bath	1	3,045	3,230	185
Standard Double Suite as Single Suite	1	3,045	3,230	185
Double Suite	2	2,875	3,020	145
Double Suite as Single Suite	1	3,735	3,960	225
Single Suite	1	3,735	3,960	225
RA Single Suite	1	2,140	2,185	45

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

The Pennsylvania State University
Proposed Room and Board Rates
 Effective Fall 2011

Schedule II

University Park Nittany Apartment
Rates/Person/Semester*

Room Description	Number of Occupants	Current Rate	Proposed Rate	Proposed Increase
2 Bedroom Garden	4	\$2,740	\$2,875	\$135
4 Bedroom Garden	4	3,075	3,230	155
4 Bedroom Townhouse	4	3,185	3,345	160

*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	\$2,740	\$2,875	\$135
RA Apartment	3	1,795	1,830	35

*Room rate includes utilities.

Harrisburg Apartment
Rates/Person/Semester*

Room Description	Number of Occupants	Current Rate	Proposed Rate	Proposed Increase
Apartments-Bedroom Single	4	\$3,265	\$3,430	\$165
Apartments-Bedroom Double	8	2,875	3,020	145
RA Apartment	1	2,290	2,335	45

*Room rate includes utilities.

The Pennsylvania State University
Proposed Room and Board Rates
 Effective Fall 2011

Schedule III

University Park Graduate Family Apartment
Rates/Month*

Room Description	Number of Occupants	Current Rate	Proposed Rate	Proposed Increase
White Course 1 Bedroom	N/A	\$900	\$940	\$40
White Course 2 Bedroom	N/A	1,025	1,070	45
White Course 3 Bedroom	N/A	1,165	1,215	50

*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	\$720	\$750	\$30

*Rate includes utilities.

Board Plan
Rates/Semester

Meal Plan	Dining Dollars	Current Rate	Proposed Rate	Proposed Increase
Plan 1	\$565	\$1,775	\$1,840	\$65
Plan 2	650	1,855	1,925	70
Plan 3	710	1,915	1,985	70
Plan 4	810	2,010	2,085	75
Plan 5	890	2,090	2,165	75
Plan 6	1,050	2,245	2,325	80

UNIVERSITY MANOR APARTMENTS
CURRENT vs PROPOSED MONTHLY RENTAL RATES

<u>Type Occupancy</u>	<u>No. Units</u>	<u>Current Rates Per Apt.</u>	<u>Proposed Rates Per Apt.</u>	<u>Amount Increase</u>
University Manor East				
1 Bedroom (with Washer/Dryer)	24	\$ 840	\$ 854	\$ 14
2 Bedroom (with Washer/Dryer)	208	\$ 992	\$ 1,000	\$ 8
3 Bedroom (with Washer/Dryer)	16	\$ 1,084	\$ 1,110	\$ 26
University Manor West				
4 Bedroom (furnished) *	31	\$ 1,936	\$ 1,992	\$ 56

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

1. Broadcasting Facility at Recreation Hall, University Park

A 3,098 square feet area in the northwest corner of the first floor of Recreation Hall will be renovated to accommodate broadcasting/edit labs, team meeting and teaching facilities, and storage space with a cost estimate of \$4,300,000. Most of the existing functions in this space will be relocated to newly enclosed space along the north side of the first floor. The existing hospitality suite will be renovated to better suit the patrons throughout the year.

(See Appendix I.1)

2. Item Removed From Consideration

3. Forestry Meadow Wing Slab Remediation, University Park

The Forestry Meadow Wing Slab Remediation project consists of the removal and replacement of the concrete slab-on-grade and fill material at the first floor Meadow Wing portion of the Forest Resources Building. This remediation work is required to prevent continued heaving and distress of the slab-on-grade and to prevent future impacts on the existing structure. Work will consist of the following: removal and replacement of existing concrete slab, removal and replacement of fill material, and demolition and reinstatement of first floor fit-out (required for access to slab and fill remediation). All areas outside of the first floor of the Meadow Wing will remain occupied during the remediation work. Total project cost is estimated at \$3,000,000.

(See Appendix I.2)

4. West Campus Chilled Water Plant Upgrades - Cooling Tower Purchase, University Park

The West Campus Chilled Water Plant needs to be upgraded for increased capacity due to new construction at the University Park campus. A new cooling tower will be purchased for a cost estimate of \$1,200,000.

(See Appendix I.3)

5. Scoreboards at Recreation Hall, University Park

A new center hung scoreboard and two end scoreboard panels will replace existing scoreboards to better serve the needs of the sporting events that take place in the gymnasium. Total project cost is estimated at \$1,100,000.

(See Appendix I.4)

6. Hospital South Addition Roof Replacement, The Milton S. Hershey Medical Center

A three-ply cold build-up roof with new insulation will replace the existing twenty-one year old, single-ply roof membrane over the Neonatal Intensive Care Unit and the Pediatric Intensive Care Unit at The Milton S. Hershey Medical Center, with a cost estimate of \$1,016,690.

To avoid excessive noise and vibration over these sensitive patient areas, the existing stone ballast will be removed by hand instead of with the typical vacuum process.

(See Appendix I.5)

7. 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. A small group study pod (Room 5A) in the Knowledge Commons of Pattee Library at University Park the "Sally L. Schaadt Small Group Study Pod" for a gift from Sally Schaadt.
- B. The Tutoring Room (Room 132) in the Lasch Football Building the "Christian '97 and Joanna '97 Massetti Tutoring Room" for a gift from the DONWIL Company.

8. Purchase of Dreibelbis Property, University Park

In April, 2010, the University acquired the Option Agreement to purchase property from the estate of Albert W. Dreibelbis for \$315,000. The .41 acre property includes a 1,688 square foot residence and out-buildings at 1417 West College Avenue, State College, Ferguson Township, Centre County. The property, which adjoins the Craig and Kathleen Kissell property recently acquired by the University, also adjoins the University Park Campus and provides West College Avenue frontage. The University's intent is to raze the structures, providing for future expansion opportunities. Settlement occurred September 29, 2010.

(See Appendix I.6)

9. Status of Major Construction Programs and Borrowing

(See Appendix I.7)

10. Conflict of Interest - Disclosure

The *Bylaws* of the University, Article 6(1)(a)2, require that contracts or transactions valued at less than \$10,000 between the University and one or more members of the Board of Trustees, any member's spouse, or between the University and any other corporation, partnership, association or organization in which one or more members of the Board, or any member's spouse or dependent child shall be subject to disclosure, but shall not be subject to bidding requirements and need not be approved by the Board of Trustees. Disclosure of such contracts and transactions is to be made annually by written report to the Board of Trustees. Appendix 1.8 is a disclosure list of such contracts and transactions between the University and members of the Board of Trustees for the 2009-2010 fiscal year. The Officers of the University certify that the contracts and transactions were made in the normal course of business and were fair to the University.

(See Appendix I.8)

11. Summary of Revisions to Existing Scholarships, Fellowships, Etc. (For the period August 23, 2010 through October 8, 2010)

Will the Committee on Finance and Physical Plant 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.

12. Acknowledgments of Endowments and Other Major Commitments

The Committee on Finance and Physical Plant is advised that for the period August 23, 2010, through October 8, 2010, 33 new funds totaling approximately \$2,002,482 were accepted by the University, including scholarships, fellowships, etc. All of these items conform to established University policies and regulations.

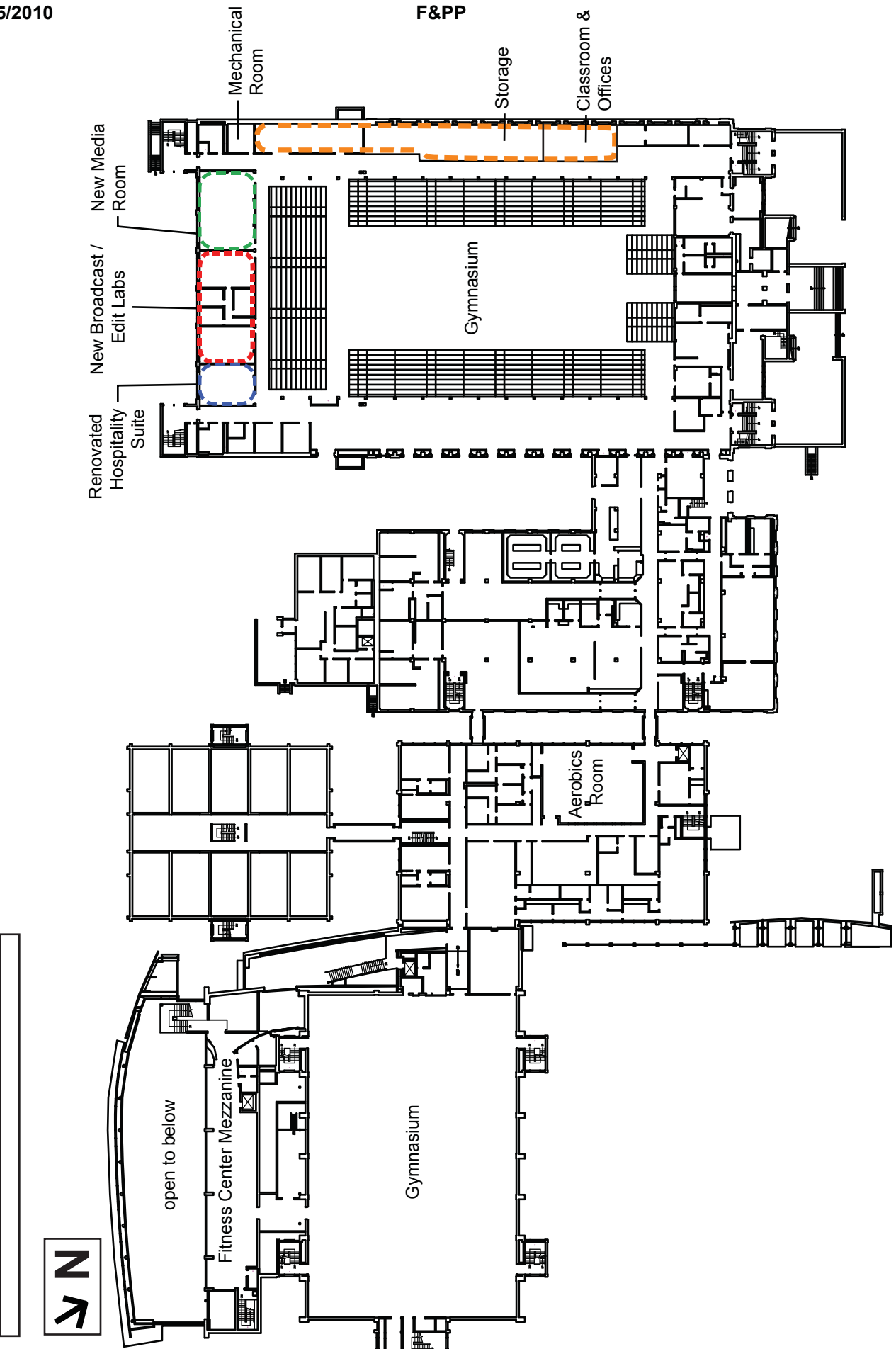
For the period July 1, 2010 through August 31, 2010, 42 major commitments were accepted by the University totaling approximately \$20,098,905.

Will the Committee on Finance and Physical Plant 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 and Physical Plant at its meeting of November 5, 2010.

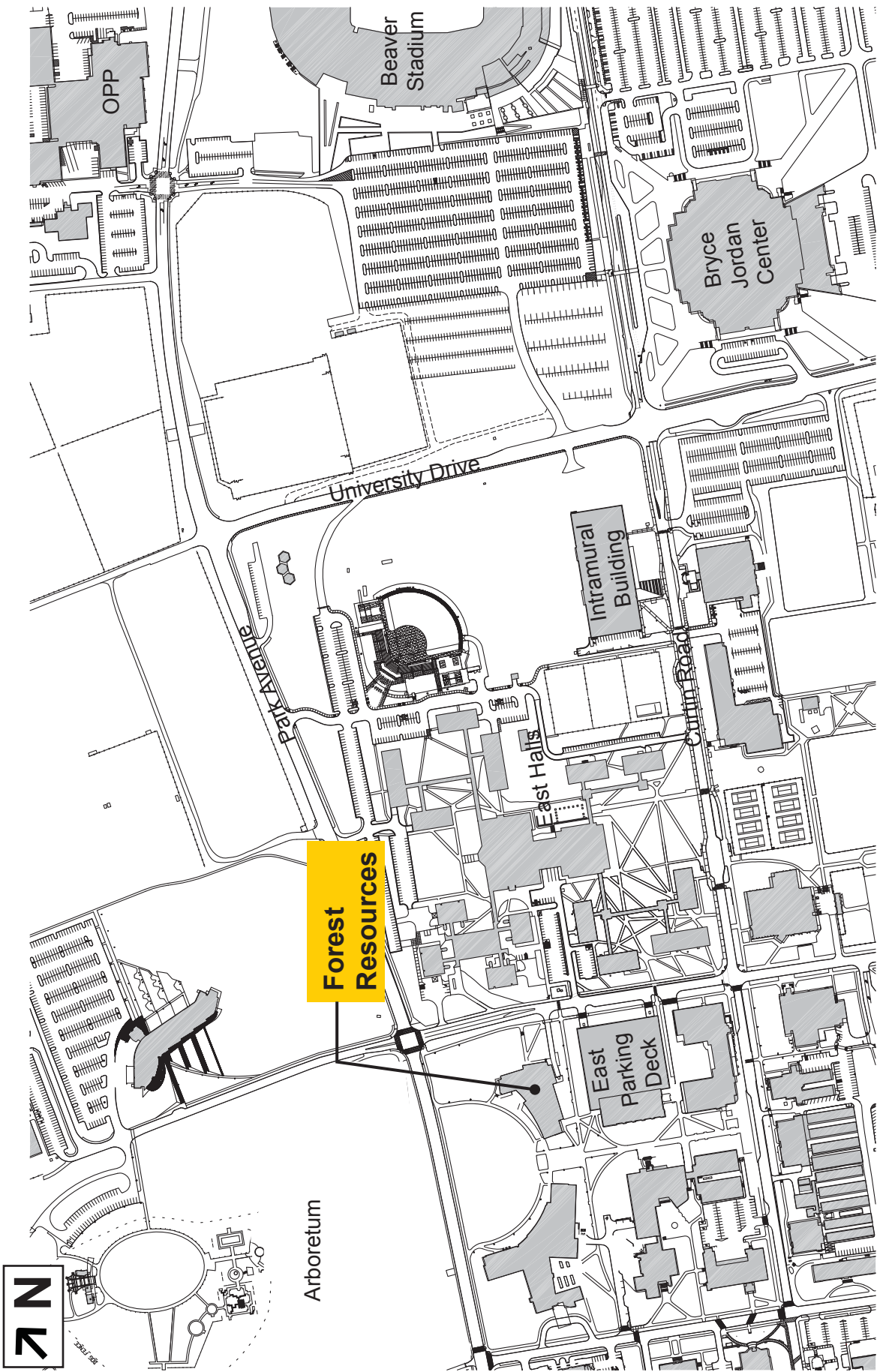
FURTHER BE IT RESOLVED, That the Officers of the University are authorized to convey the Board's appreciation to these generous benefactors who provide opportunities for many students to receive a quality education.

University Park

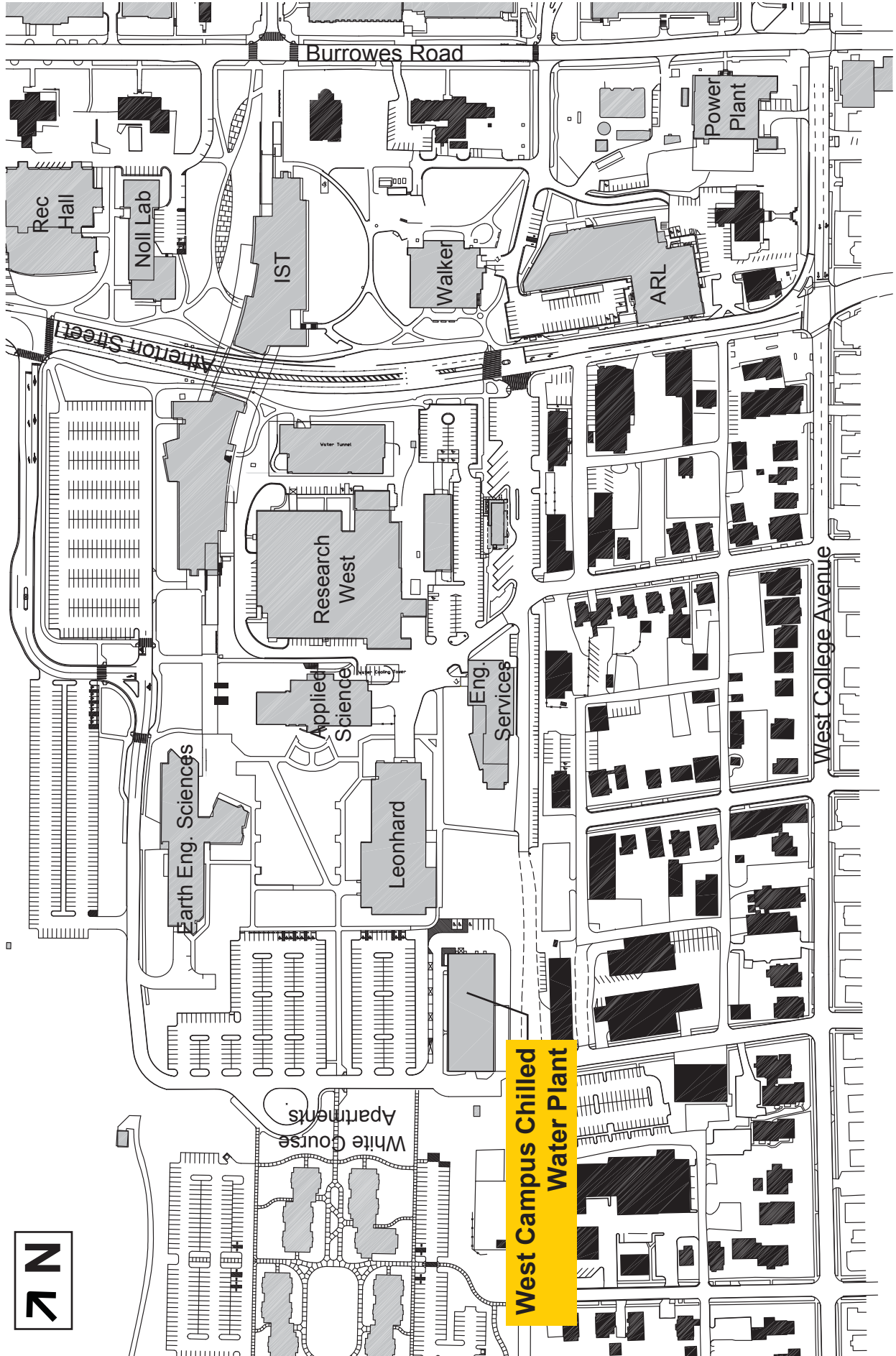


(Appendix I.1)

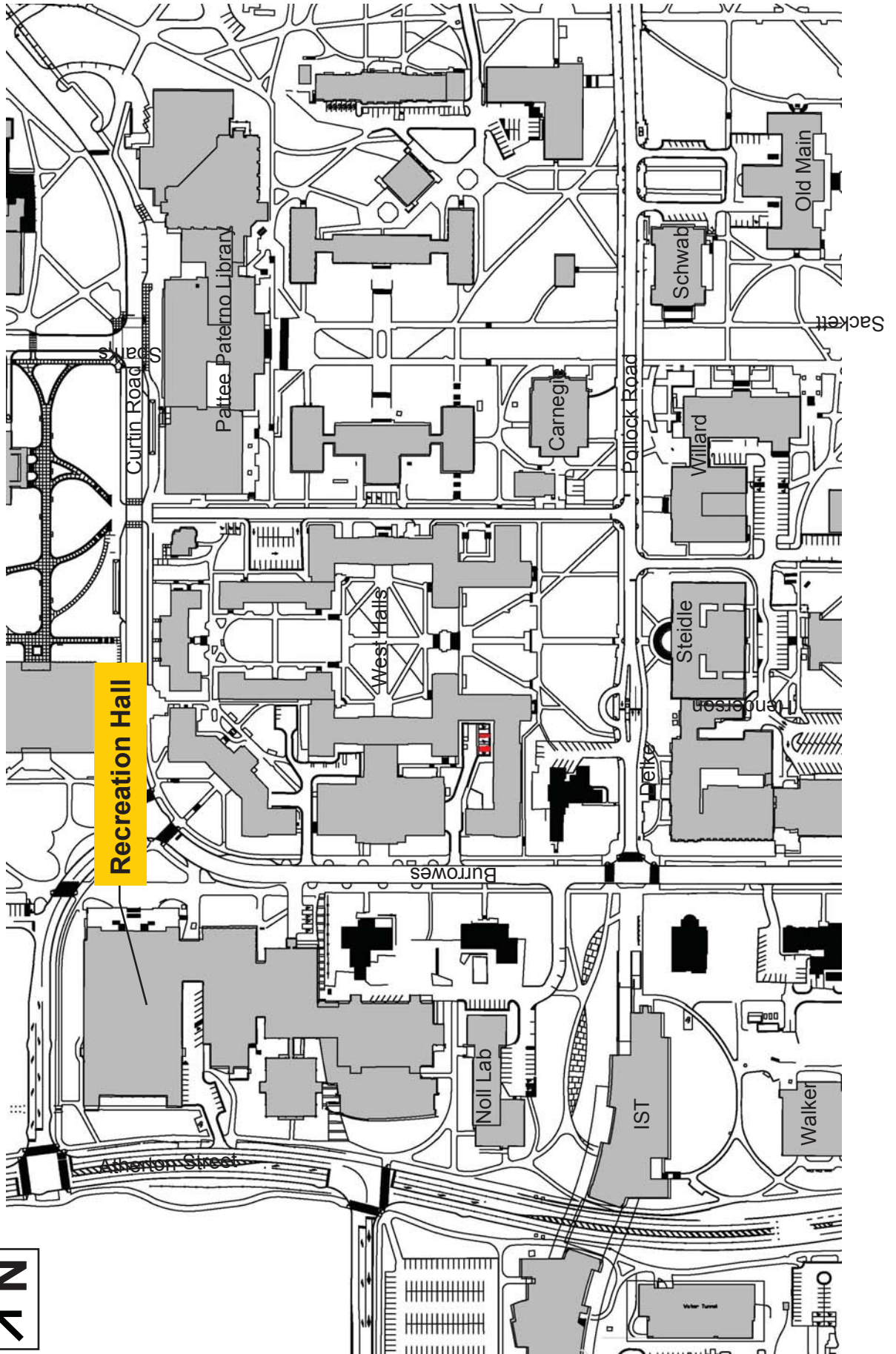
University Park



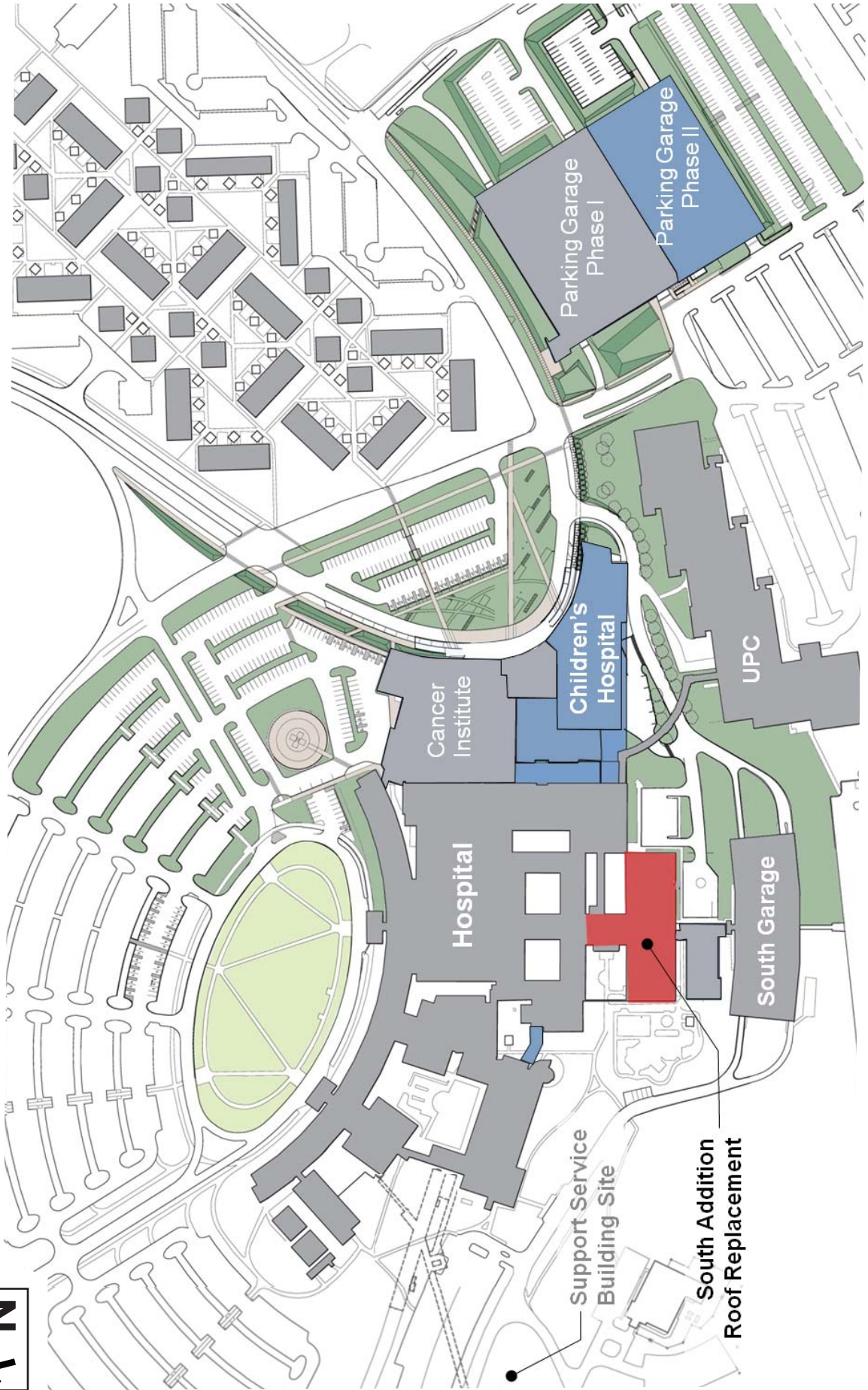
University Park



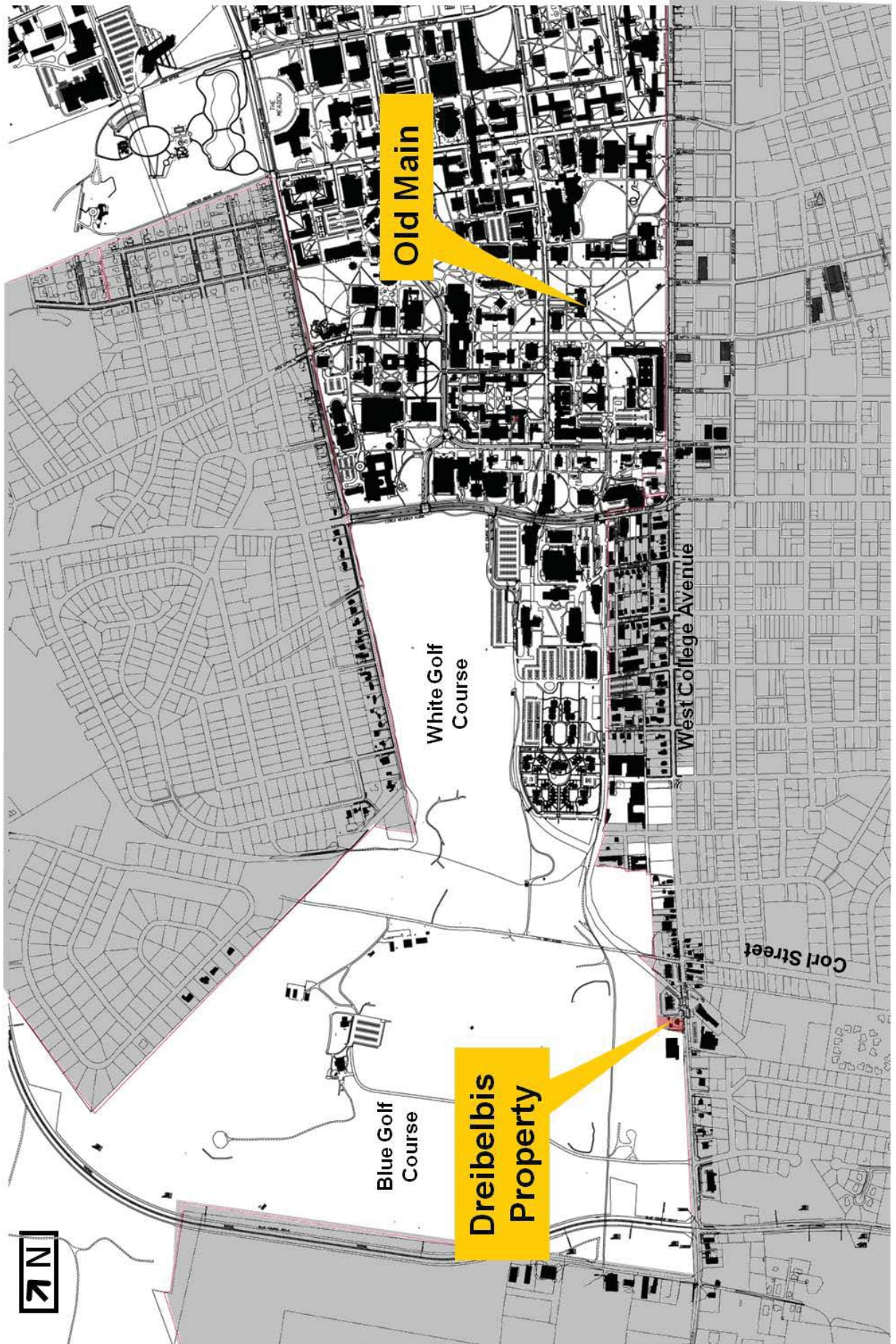
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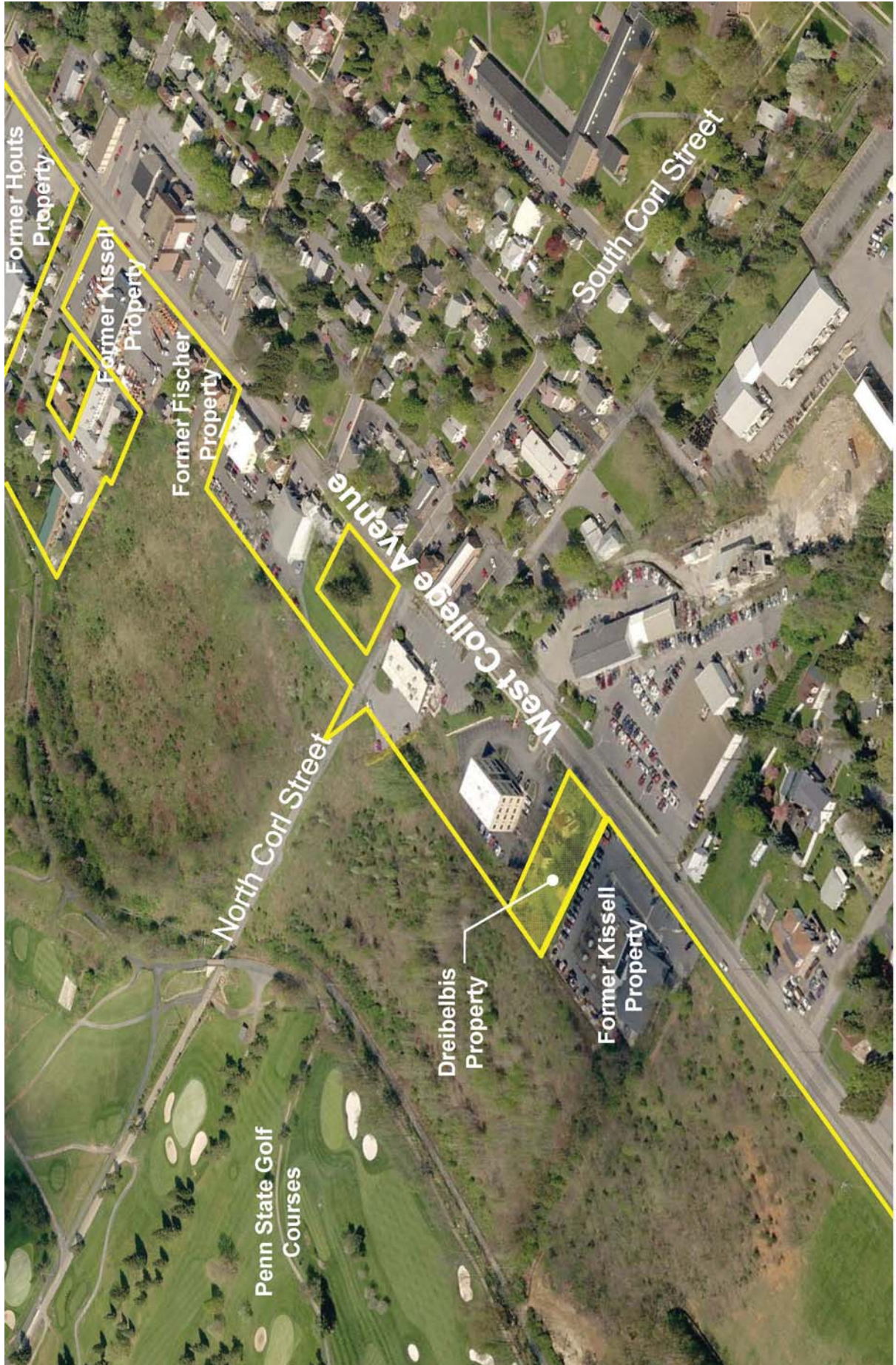
The Milton S. Hershey Medical Center



University Park



University Park





University Park

STATUS OF MAJOR CONSTRUCTION PROGRAMS AND BORROWING (> \$5 Million)
October 31, 2010

Campus	Project Data		Budget Commonwealth Amount	Funding	Gift Amount	BOT Milestones		Construction		Notes
	Project Name	Project Name				Arch/Eng Selection	Design Plan Approval	Start Date	Completion Date	
Berks	Classroom / Laboratory Building		\$25,700,000	\$0	\$3,000,000	11/07	01/10	04/10	12/11	Construction is approximately 24% complete.
DuBois	Swift Building Renovation		\$5,370,000	\$3,950,000	\$0	N/A	07/10	08/10	07/11	Construction is approximately 10% complete.
Erie	Otto Behrend Lab Renovations		\$6,325,900	\$2,850,000	\$300,000	N/A	N/A	04/10	09/10	Project is substantially complete.
Hershey	Children's Hospital		\$206,500,000	\$14,000,000	\$65,000,000	11/05	11/09	03/10	10/12	Construction is approximately 12% complete.
	Support Services Building		\$19,000,000	\$0	\$0	01/09	03/10	06/10	11/11	Construction is approximately 15% complete.
	Parking Garage Phase II		\$20,300,000	\$0	\$0	11/05	11/09	11/09	12/10	Construction is approximately 95% complete.
	Beaver Stadium N. End Zone and ADA Renovation		\$8,400,000	\$0	\$0	N/A	09/10	12/10	08/11	Project released for bid.
University Park	BioBehavioral Health Building		\$48,100,000	\$40,000,000	\$0	01/08	07/10	12/10	10/12	Project released for bid.
	Biological Research Laboratory		\$23,000,000	TBD	\$0	11/07	11/10	01/11	08/12	Project in design. NIH Grant received.
	Computer Building		\$13,900,000	\$12,000,000	\$0	N/A	N/A	05/07	01/11	Construction is approximately 97% complete.
	East Campus Steam Plant - CT/HRSG		\$18,300,000	\$0	\$0	N/A	N/A	04/10	04/11	Construction is approximately 55% complete.
	Environmental Improvements BFP Installations		\$5,120,000	\$7,000,000	\$0	N/A	N/A	06/08	08/12	Project program is approximately 35% complete.
	Essential Services Program		\$11,950,000	\$0	\$0	N/A	N/A	12/05	12/14	Project program is approximately 50% complete.
	Gary Schultz Child Care Center at Hort Woods		\$11,000,000	\$0	\$0	05/08	01/10	03/10	04/11	Construction is approximately 40% complete.
	Henderson South (Phase II)		\$56,500,000	TBD	\$0	01/08	TBD	TBD	TBD	Project in design to schematic level.
	Millennium Science Complex		\$215,000,000	\$82,550,000	\$0	03/05	09/08	09/08	07/11	Construction is approximately 62% complete.
	Moore Building Addition		\$28,100,000	\$22,750,000	\$1,800,000	07/08	05/10	06/10	12/11	Construction is approximately 10% complete.
	Moore Building Renovation Stage		\$21,900,000	\$18,900,000	\$1,200,000	07/08	01/12	02/12	08/13	Project in design.
	Nittany Lion Softball Park		\$10,200,000	\$0	\$525,000	11/04	03/10	03/10	03/11	Construction is approximately 65% complete.
Transformer Replacement Program		\$9,600,000	\$0	\$0	N/A	N/A	06/07	12/13	Project program is approximately 20% complete.	
UP Airport Traffic Control Tower		\$6,400,000	\$0	\$0	N/A	09/09	12/09	11/10	Construction is approximately 85% complete.	

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

Estimated bonds, notes and capital leases as of June 30, 2010 \$1,088,673
 Year to date principal payments and premium amortizations (\$23,879) *
 Estimated bonds, notes and capital leases as of October 31, 2010 \$1,064,794
 * Related interest expense totals approximately \$17,708

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

Borrowing Authority per May 2007 Board of Trustees \$600,000
 Capital Leases, Bonds, & Notes Issued (\$304,430)
 Future Capitalized Leases & Anticipated Commitments (\$5,100)
 Estimated Authority Remaining \$290,470

THE PENNSYLVANIA STATE UNIVERSITY
CONFLICT OF INTEREST DISCLOSURE
Transactions less than \$10,000 for Fiscal Year 2009-2010

CARNEGIE HOUSE continued

ENGINEERING	\$534.54
ENGINEERING	\$531.00
ENGINEERING	\$528.35
ENGINEERING	\$521.86
GENERAL AND ACADEMIC OFFICERS	\$491.77
BUSINESS - SMEAL COLLEGE	\$490.72
DICKINSON SCHOOL OF LAW	\$488.26
EDUCATION	\$474.66
EARTH & MINERAL SCIENCES	\$423.03
GENERAL AND ACADEMIC OFFICERS	\$421.00
DEVELOPMENT AND ALUMNI RELATIONS	\$397.75
SCIENCE - EBERLY COLLEGE	\$397.71
RESEARCH - DEFENSE RELATED UNITS	\$393.00
GENERAL AND ACADEMIC OFFICERS	\$386.15
SCIENCE - EBERLY COLLEGE	\$384.98
GENERAL AND ACADEMIC OFFICERS	\$364.31
GENERAL AND ACADEMIC OFFICERS	\$330.12
GENERAL AND ACADEMIC OFFICERS	\$328.00
DEVELOPMENT AND ALUMNI RELATIONS	\$302.25
DEVELOPMENT AND ALUMNI RELATIONS	\$284.75
BUSINESS - SMEAL COLLEGE	\$273.12
GENERAL AND ACADEMIC OFFICERS	\$269.75
HEALTH AND HUMAN DEVELOPMENT	\$262.75
BUSINESS - SMEAL COLLEGE	\$260.74
LIBERAL ARTS	\$256.83
AGRICULTURAL SCIENCES	\$256.00
DEVELOPMENT AND ALUMNI RELATIONS	\$253.25
DEVELOPMENT AND ALUMNI RELATIONS	\$250.03
DEVELOPMENT AND ALUMNI RELATIONS	\$245.25
BUSINESS - SMEAL COLLEGE	\$233.00
BUSINESS - SMEAL COLLEGE	\$228.21
HEALTH AND HUMAN DEVELOPMENT	\$244.13
OFFICE OF THE PRESIDENT	\$222.14
DEVELOPMENT AND ALUMNI RELATIONS	\$220.00
BUSINESS - SMEAL COLLEGE	\$217.75
BUSINESS - SMEAL COLLEGE	\$213.14
INFORMATION SCIENCES AND TECHNOLOGY	\$211.81
SCIENCE - EBERLY COLLEGE	\$210.50
SCIENCE - EBERLY COLLEGE	\$206.44
BUSINESS - SMEAL COLLEGE	\$206.00
SCIENCE - EBERLY COLLEGE	\$200.00
BUSINESS - SMEAL COLLEGE	\$199.92
SCIENCE - EBERLY COLLEGE	\$191.00

**THE PENNSYLVANIA STATE UNIVERSITY
CONFLICT OF INTEREST DISCLOSURE
Transactions less than \$10,000 for Fiscal Year 2009-2010**

CARNEGIE HOUSE continued

ENGINEERING	\$190.00
ARTS AND ARCHITECTURE	\$189.88
HEALTH AND HUMAN DEVELOPMENT	\$187.08
DEVELOPMENT AND ALUMNI RELATIONS	\$184.17
DEVELOPMENT AND ALUMNI RELATIONS	\$178.75
SCIENCE - EBERLY COLLEGE	\$168.25
SCIENCE - EBERLY COLLEGE	\$168.00
EARTH & MINERAL SCIENCES	\$164.00
EARTH & MINERAL SCIENCES	\$154.50
AGRICULTURAL SCIENCES	\$150.82
GENERAL AND ACADEMIC OFFICERS	\$142.26
EARTH & MINERAL SCIENCES	\$140.39
BUSINESS - SMEAL COLLEGE	\$138.95
BUSINESS - SMEAL COLLEGE	\$137.50
DEVELOPMENT AND ALUMNI RELATIONS	\$123.00
VICE-PRESIDENT FOR COMMONWEALTH CAMPUSES	\$113.00
AGRICULTURAL SCIENCES	\$109.34
DEVELOPMENT AND ALUMNI RELATIONS	\$102.35
DEVELOPMENT AND ALUMNI RELATIONS	\$102.12
LIBERAL ARTS	\$97.01
GENERAL AND ACADEMIC OFFICERS	\$95.48
DEVELOPMENT AND ALUMNI RELATIONS	\$76.66
DEVELOPMENT AND ALUMNI RELATIONS	\$67.75
DEVELOPMENT AND ALUMNI RELATIONS	\$62.40
DEVELOPMENT AND ALUMNI RELATIONS	\$50.75
DEVELOPMENT AND ALUMNI RELATIONS	\$42.00
BUSINESS - SMEAL COLLEGE	\$24.21
EARTH & MINERAL SCIENCES	\$13.75
EARTH & MINERAL SCIENCES	\$10.50

TOTAL CARNEGIE HOUSE: \$27,686.27

STOR ALL SELF STORAGE:

RESEARCH-STRAT INITIATIVE	\$40.90
STUDENT AFFAIRS	\$83.00
STUDENT AFFAIRS	\$93.00
STUDENT AFFAIRS	\$93.00
STUDENT AFFAIRS	\$93.00
STUDENT AFFAIRS	\$93.00
STUDENT AFFAIRS	\$93.00
STUDENT AFFAIRS	\$93.00
STUDENT AFFAIRS	\$93.00
STUDENT AFFAIRS	\$93.00

**THE PENNSYLVANIA STATE UNIVERSITY
CONFLICT OF INTEREST DISCLOSURE
Transactions less than \$10,000 for Fiscal Year 2009-2010**

STOR ALL SELF STORAGE continued

STUDENT AFFAIRS	\$93.00
STUDENT AFFAIRS	\$113.00
RESEARCH-STRAT INITIATIVE	\$127.00
RESEARCH-STRAT INITIATIVE	\$139.00
RESEARCH-STRAT INITIATIVE	\$139.00
RESEARCH-STRAT INITIATIVE	\$139.00
RESEARCH-STRAT INITIATIVE	\$139.00
EARTH & MINERAL SCIENCES	\$153.00
EARTH & MINERAL SCIENCES	\$183.18
AGRICULTURAL SCIENCES	\$247.00
AGRICULTURAL SCIENCES	\$259.00
AGRICULTURAL SCIENCES	\$259.00
RESEARCH-STRAT INITIATIVE	\$292.00
RESEARCH-STRAT INITIATIVE	\$303.00
RESEARCH-STRAT INITIATIVE	\$303.00
RESEARCH-STRAT INITIATIVE	\$303.00
RESEARCH-STRAT INITIATIVE	\$303.00
RESEARCH-STRAT INITIATIVE	\$303.00
RESEARCH-STRAT INITIATIVE	\$303.00
DICKINSON SCHOOL OF LAW	\$306.00
EARTH & MINERAL SCIENCES	\$326.00
STUDENT AFFAIRS	\$450.00
DICKINSON SCHOOL OF LAW	\$640.00
AGRICULTURAL SCIENCES	\$761.00
AGRICULTURAL SCIENCES	\$761.00
EARTH & MINERAL SCIENCES	\$832.90
DICKINSON SCHOOL OF LAW	\$841.50
RESEARCH-STRAT INITIATIVE	\$1,856.00
AGRICULTURAL SCIENCES	\$2,175.00

TOTAL STOR ALL SELF STORAGE: \$13,917.48

GRAND TOTAL TRANSACTIONS: \$56,842.25

2011–2012

BUDGET PRESENTATION

Penn State Housing and Food Services

- Housing Capacities
- Academic Year Occupancy Percentages
- Comparison Room and Board Rates
Academic Year 2010–2011

Budget Proposal

- 2011–2012 Budget Planning Factors
- 2011–2012 Expense Increases
- Double Room and Meal Plan 3 Rate
2006–2011
- Proposed Room and Board Rates 2011–2012

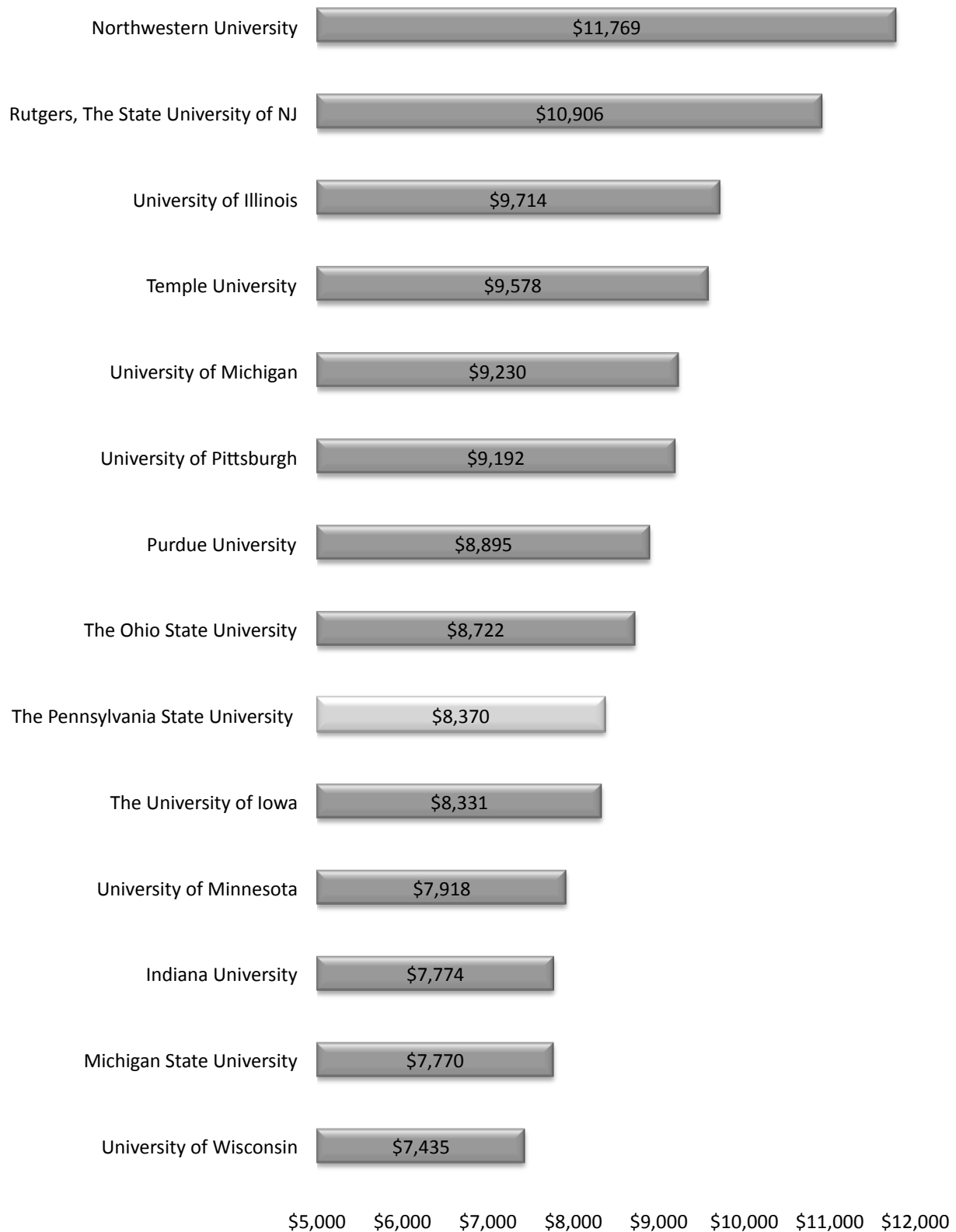
Housing Capacities for Fall 2011

	Undergraduate Halls	Single Student Apts.	Subtotal	University Apts.	TOTAL
University Park	13,223	300	13,523	124	13,647
Erie	1,354	288	1,642		1,642
Harrisburg		427	427		427
Altoona	900		900		900
Beaver	208		208		208
Berks	804		804		804
Hazleton	456		456		456
Greater Allegheny	209		209		209
Mont Alto	438		438		438
TOTAL	17,592	1,015	18,607	124	18,731

Academic Year Occupancy Percentages

	06-07	07-08	08-09	09-10	10-11 (est.)
University Park					
Single Student Housing	103.6	101.2	102.7	103.3	102.0
Apartments	96.1	96.5	96.8	97.4	96.0
Erie	97.6	101.5	101.9	100.3	100.0
Harrisburg	99.0	99.0	99.3	99.2	99.0
Altoona	99.4	99.6	97.8	98.8	99.0
Beaver	80.6	95.1	93.9	80.8	82.0
Berks	100.1	98.3	98.9	99.6	99.0
Hazleton	101.6	102.0	102.5	101.8	100.0
Greater Allegheny	72.2	92.4	96.2	95.1	94.0
Mont Alto	99.6	99.6	98.2	95.3	95.0

COMPARISON ROOM AND BOARD RATES ACADEMIC YEAR 2010–2011 Double Room and Board



2011–2012 Budget Planning Factors

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.

Budget Planning Factors for 2011–2012

The 2011–2012 room and board rate proposal takes into account changes in annual operating expenses as well as the costs associated with the overall maintenance and upkeep of the facilities. As noted in previous rate increase requests, the need to address the deferred maintenance of our aging buildings and the modernization of facilities remains a high priority for the program.

Examples of upcoming renovation projects include the conversion of Simmons dining commons to residential space, the refurbishing of Pollock dining commons, and the renovation of the Port Sky Café at Altoona. Examples of ongoing deferred maintenance projects include elevator and roof replacements, electrical switchgear upgrades, and plumbing repairs.

Expenses

Food Costs

Food costs for 2011–2012 are expected to increase by 2.75 percent.

Salaries, Wages, and Employee Benefits

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 2.96 percent in the aggregate. Increases are planned for maintenance (4 percent), supplies (3.5 percent), and services (3.25 percent). The cable television contract has been renegotiated, resulting in a cumulative savings of \$700,000 over the three-year term of the contract.

Residence Life

The Office of Residence Life is requesting that the counseling fee be increased by 2.7 percent, from \$261.50 to \$268.50 per student per semester. This increase will generate an additional \$289,000 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 \$2,013,000.

University Overhead

The budget provides \$5,500,000 for university administrative costs.

Property Expenses

Debt Service

The annual debt service for 2011–2012 will remain at the current level of \$29,492,000. The Simmons conversion and the Pollock and Altoona dining renovations will be paid from deferred maintenance reserves.

Facility Renewal and Deferred Maintenance

Each year aging residence halls and dining commons require more funds for major maintenance that includes roof replacements, elevator repairs, heating, plumbing, electrical repairs, and technology upgrades. We are responsible for approximately 6 million square feet of space in housing and dining areas across the commonwealth and about 80 percent of our buildings are more than 35 years old.

The industry standard for facility renewal applied to our situation would suggest as a guideline that we dedicate approximately \$30 million per year for this expense. The need for the Housing and Food Services budget to fund all maintenance, renovations, and new construction requires a sustained annual commitment to property management. This budget provides \$26,916,000 for facility renewal, deferred maintenance, and emergency reserves for the Housing and Food Services facilities and may help to ease the demand for debt financing for these purposes.

Income

Meal Plan 3 provides about twelve to thirteen meals per week and most closely approximates the average board plan selected. A student living in a standard double room who selects Meal Plan 3 will pay 4.42 percent more for room and board in 2011–2012. The recommended rate increases for housing, food services and conferences at Penn State University Park and the campuses will generate the required \$7,566,000 in additional income.

2011–2012 Expense Increases

	2010–2011 Budget	2011–2012 Budget	2010–2011 Budget	2011–2012 Increase	2011–2012 Proposed
Food Costs	13.9%	13.7%	\$23,814,000	\$655,000	\$24,469,000
Payroll, Related	24.7%	24.3%	42,355,000	1,082,000	43,437,000
Utilities, Telephone	11.2%	11.0%	19,202,000	569,000	19,771,000
Other Operating Expenses	15.4%	15.3%	26,428,000	941,000	27,369,000
HFS Admin & Support	1.1%	1.1%	1,945,000	68,000	2,013,000
University Overhead	3.1%	3.1%	5,281,000	219,000	5,500,000
Property	30.6%	31.5%	52,482,000	4,032,000	56,514,000
Total Expense	100.0%	100.00%	\$171,507,000	\$7,566,000	\$179,073,000

Double Room and Meal Plan 3 Rate

Year	Semester Rate	Semester Increase	Percent Increase
2006	\$3,425	\$160	4.90%
2007	\$3,590	\$165	4.82%
2008	\$3,835	\$245	6.82%
2009	\$4,085	\$250	6.52%
2010	\$4,185	\$100	2.45%
2011	\$4,370	\$185	4.42%

MONTHLY RENTAL RATE COMPARISON

UNIVERSITY MANOR vs. PRIVATE APARTMENT COMPLEXES

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

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

DIFFERENCES BETWEEN UNIVERSITY MANOR AND
PRIVATE APARTMENT RENTAL RATES

<u>Difference</u>	<u>Average Private Rates</u>	<u>University Manor Proposed Rates</u>	
1 Bedroom	\$ 878	\$ 854	\$ 24
2 Bedroom	\$1,040	\$1,000	\$ 40
3 Bedroom	\$1,241	\$1,110	\$ 131

All University Manor Apartments have air-conditioning, modern kitchen appliances, wall-to-wall carpeting, draperies/mini-blinds, and washers/dryers. All utilities are included except Cable TV and long-distance telephone service. Additionally, high-speed Internet service is provided in all University Manor East and West apartments. A sprinkler installation project in University Manor East was completed in the summer of 2007. University Manor West apartment sprinkler installation is scheduled for completion during the summer of 2011.