

**THE PENNSYLVANIA STATE UNIVERSITY
BOARD OF TRUSTEES**

**COMMITTEE ON FINANCE, BUSINESS AND CAPITAL PLANNING
MINUTES OF MEETING
VOLUME FBCP 6**

September 17, 2015

A meeting of the Committee on Finance, Business & Capital Planning was held in Room 205 of the Penn Stater Conference Center Hotel, State College, Pennsylvania, beginning at 9:00 a.m.

The following committee members, constituting a quorum, were present: Clifford Benson, Donald Cotner, Mark Dambly, Barbara Doran, Rob Fenza, Chris Hoffman, William Oldsey, and Mary Lee Schneider. Emeriti Member Ted Junker was also present.

Ex officio member Keith Masser, Faculty Representative Mohamad Ansari, Student Representative Kevin Horne, and the following administration members were also present: Susan Basso, David Branigan, Madeline Cantu, Joseph Doncsecz, Jennifer Eck, David Gray, Frank Guadagnino, Nicholas Jones, Donna Newburg, Gregory Scott, Daniel Sieminski, Rachel Smith, and Ford Stryker.

The meeting was called to order by Chairman Mark Dambly. Mr. Dambly advised the Committee that actions and recommendations by the Committee would be reported to the full Board of Trustees for their consideration at the September 18, 2015 meeting.

The Committee unanimously approved the minutes of the July 16, 2015 meeting of the Committee.

The Committee reviewed the following consent agenda items and unanimously approved the two action items: Summary of Revised Funds; Summary and Acknowledgment of New Funds and Major Commitments.

Information Items –

- a) Fire Alarm Replacement at Various Buildings, University Park
- b) Beaver Stadium Annual Maintenance, University Park
- c) Core Campus Walkways, Penn State Brandywine
- d) George T. Harrell Health Sciences Library Renovation, The Milton S. Hershey Medical Center
- e) Naming of Rooms, Portions of Buildings, and Plazas
- f) Status of Major Construction Programs and Borrowing
- g) Capital Budget Request for Fiscal Year 2016-2017
- h) Summary and Designation of Gifts Received

Action Items –

- i) Summary of Revised Funds
- j) Summary and Acknowledgement of New Funds and Major Commitments

(See Appendix II)

The Committee unanimously approved the following resolution for Appointment of Non-University Employees to the Penn State Investment Council:

RESOLVED, That Blake Gall, Edward R. Hintz, Jr., and Joseph B. Markovich, non-University employees, are appointed to the Penn State Investment Council for terms ending in 2018.

Since the Review of the Long Term Investment Pool as of June 30, 2015 was to be given at the full Board meeting on September 18, 2015, it was not given at the Committee meeting.

The proposed Final Plan Approval and Authorization to Expend Funds for the Morgan Academic Support Center for Student-Athletes at University Park was presented by Ford Stryker. The Committee unanimously approved the following resolutions:

RESOLVED, That the final plans for thei Morgan Academic Center for Student-Athletes, as designed by the team of PJ Dick of Pittsburgh, Pennsylvania, and Hoffman Leakey Architects of Boalsburg, Pennsylvania, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of \$7,200,000.

The proposed Final Plan Approval and Authorization to Expend Funds for the Ruhl Student Center at Penn State York was presented by Ford Stryker. The Committee unanimously approved the following resolutions:

RESOLVED, That the final plans for the Ruhl Student Center, as designed by the team of Renaissance 3 Architects of Pittsburgh, Pennsylvania, and Moody Nolan of Columbus, Ohio, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of \$13,500,000.

The proposed Approval and Authorization to Expend Funds for the New Learning Management System was presented by Crag Weidemann and Jennifer Sparrow. The Committee unanimously approved the following resolutions:

WHEREAS, The University has determined a replacement of the existing enterprise Learning Management System (LMS), i.e., ANGEL, at the University is necessary; and

WHEREAS, The University conducted an in-depth review of the various options to replace the existing LMS, including a needs assessment, cost/benefit analysis, and

extensive pilots of several vendor solutions, and has concluded that a modern-day “Software-as-a-Service” technology solution will provide the greatest functionality, flexibility, and scalability to the University, in the shortest amount of time; and

WHEREAS, The implementation of the new LMS solution will require the University to acquire additional resources to assist in the planning and implementation of such solution;

RESOLVED, That the Officers of the University are authorized to purchase Instructure, Incorporated’s cloud-based LMS solution, Canvas, and such other ancillary technology services, as necessary to replace the existing LMS and are authorized to acquire additional resources to assist the University with the implementation of such new technology solution.

FURTHER BE IT RESOLVED, That authorization to award contracts and hire staff to complete the replacement of the existing LMS be approved at a total capital cost not to exceed \$10,300,000.

FURTHER BE IT RESOLVED, That the Officers of the University shall have the discretion to expend up to an additional 10 percent of the approved total capital cost, as necessary.

The proposed Approval to Transfer Control of The Milton S. Hershey Medical Center to Penn State Health was presented by Craig Hillemeier and Robin Wittenstein. The Committee unanimously approved the following resolution:

RESOLVED, That transfer of the control of the corporation known as The Milton S. Hershey Medical Center (“Medical Center”) to Penn State Health is hereby authorized and approved, and the officers of the University and the board of directors of the Medical Center are hereby authorized to take such actions as are necessary to effectuate such transfer, subject to all necessary regulatory approvals and upon such terms and conditions and agreements as are deemed necessary by the officers of the University and Medical Center for the purposes and interests of the University.

A Risk Oversight Briefing for Financial/Funding Issues from External Sources was presented by David Gray, Eric Strucko, Anna Griswold, Zack Moore, and Neil Sharkey.

An Intercollegiate Athletics Financial Update was given by Sandy Barbour and Rick Kaluza.

The public session of the Committee on Finance, Business & Capital Planning was adjourned at 11:25 a.m.

The Committee then went into executive session.

Respectfully submitted,

Donna J. Newburg
Assistant Secretary
Board of Trustees