

DRAFT 4/3/23/17

PROPOSED REVISIONS TO SECTION 5.09(a) and 5.09(b) of the Bylaws

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

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

- (i) Basic University Organization and Policy
 - (1) Amendments to the Charter, Bylaws and Standing Orders;
 - (2) All reports of standing or special committees of the University's Board of Trustees;
 - (3) All major modifications of educational policy;
 - (4) Authorization to grant degrees to graduates;
 - ~~(5) The determination of the major goals of the University, including the establishment and review of long-range plans for the educational, financial and physical development of the University; and~~ (5) The University's Strategic Plan; and
 - (6) University intellectual property policy.
- (ii) Fiscal Matters
 - (1) Establishment of, or material changes in existing, major University fiscal policies;
 - ~~(2) Annual operating budgets and changes in the approved totals, state~~ State ~~appropriation requests, and appropriation of building funds unappropriated and annual operating budgets;~~
 - (3) Acceptance of gifts, bequests, grants, fellowships, scholarships, loan funds that are not in accord with established policy;
 - (4) Establishment of, or changes in, ~~fees including~~ tuition, room and board rates and mandatory student fees;
 - (5) Authorization to borrow money; authorization of persons to sign checks, contracts, legal documents, and other obligations, and to endorse, sell, or assign securities; and

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

(iii) Capital Projects

(1) Establishment of, or changes in the University's five year Capital Plan;

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

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

(4) Sale of land or other real estate with a purchase price of \$2 million or more, with the exception of the sale of land and other real estate with a sale price of less than \$3 million gifted to the University for the express purpose of sale with proceeds benefitting the University;

(5) Honorific names for individual buildings and roads;

(6) Any new construction or renovation project for which the total project cost is \$~~5~~20 million or more, including

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

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

(C) Design; and

(D) Awarding of contracts for construction;

(7) Projects under \$~~5~~20 million in cost that are bond-financed;

(8) Other capital expenditures of \$~~5~~20 million or more.

(iv) Personnel Matters.

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

In the selection of a President, the Board shall consult with representatives of the faculty and the student body;

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

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

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

(v) Miscellaneous

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

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

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

(i) Basic University Organization and Policy

(1) New curricula and major changes in existing curricula;

(2) Major policy matters affecting student welfare and activities;
and

(3) Major policy matters affecting research.

(ii) Fiscal Matters

(1) Financial statements, and gifts, bequests, grants, fellowship, scholarships, loan funds that are in accord with established policy; and

(2) The University's annual reports filed under the Clery Act and the Pennsylvania Right to Know Act.

(iii) Personnel Matters

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

(2) Executive Compensation. Information regarding

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

~~(B)~~ The establishment of and any changes to executive compensation and benefit programs and policies.

~~(C)~~ [Information regarding the removal of Vice Presidents and Deans.]

(iv) Capital Projects

(1) New construction or renovations projects with a total project cost equal to or greater than \$~~15~~ million but less than \$~~520~~ million;

(2) Generic naming of individual buildings and roads and honorific naming of ~~rooms, portions of~~ University facilities other than individual buildings; and ~~plazas~~ roads;

(3) Purchase or sale of real estate with a price of less than \$~~2~~ million;

~~(5) Proceeds from~~ (4) Reports on the sale of land and other real estate with a sale price of less than \$3 million gifted to the University for the express purpose of sale;

~~(6)~~ Capital budget request submitted to the Commonwealth of Pennsylvania; and

~~(7)~~ Reports ~~(including photographs)~~ on the progress of new construction or renovation projects with a total project cost of \$~~520~~ million or more.