

**THE PENNSYLVANIA STATE UNIVERSITY
BOARD OF TRUSTEES**

**MINUTES OF MEETING
VOLUME 340**

September 23, 2022

A meeting of the Board of Trustees was held at the Eric J. Barron Innovation Hub, 123 South Burrowes Street, State College, PA and via video conference on Friday, September 23, 2022 beginning at 1:00 p.m.

The following Trustees, constituting a quorum, were present: Schuyler (chair), Kleppinger (vice chair), Amorós, Bendapudi, Black, Brown, Cairns, Dambly, Davis, de Levie, Delligatti, Detwiler, Dietrich, Fenchak, Fenza, Gursahaney, Hagarty, Harpster, Hasenkopf, Hoffman, Houston, Lubrano, Paterno, Pope, Potts, Rakowich, Rapp, Redding, Riegel, Rowland, Schneider, Short, Sokolov, and Wagman. The Governor's non-voting representative, Mr. Shipley, was in attendance.

Present by invitation were Emeriti Trustees Doran, Jubelirer and Tribeck; constituent representatives Achampong, Duffey, Egolf, Ingram, Lynch, Quinland, Ray, Romig, Stine, and Wede; staff members Austin, Bieschke, Bundy, Dunham, Gaudelius, Guadagnino, Harvey, Kraft, Lokman, Moore, Schwartz, Sims, Sitzabee, Smith, M.W., Thorndike, Weiss Whitehurst, and Wilkes.

Chair Schuyler opened the meeting with a welcome to the first Board meeting of the new academic year. He noted summer commencement was held prior to the start of classes, with more than 3,000 undergraduate and graduate degrees university-wide awarded and members of the incoming Class of 2026 were welcomed at the President's New Student Orientation at the Bryce Jordan Center. Chair Schuyler also noted that the start of the semester saw the \$5 million commitment by Penn State Alumni victor and Dena Hammel to create the Hammel Family Human Rights Initiative at Penn State, and the One Big Week campaign saw more than 2,100 gifts from alumni, friends and fans totaling \$126,414 to help tackle student hunger. He also stated that Penn State again was recognized as a leading university for LGBTQ students, continuing the University's success from 2021 with another 5-out-of-5-star rating from the Campus Pride Index. Chair Schuyler noted the August 26th dedication of the newly renovated and expanded Beaver Athletics and Wellness Center. Chair Schuyler noted new academic leadership with Justin Schwartz as Interim Executive Vice President and Provost, effective August 15th, and he welcomed Administrative Fellows for the 2022-2023 academic year: Luis Ayala, Professor in Energy and Mineral Engineering in the College of Earth and Mineral Sciences whose mentor is Lora Weiss, Senior Vice President for Research; Meeghan Hollis, Senior Associate Director for Residence Life for Student Affairs whose mentor is Damon Sims, Vice President for Students Affairs; and Darcy Rameker, Director of Student Activities for Student Affairs whose mentor is Yvonne Gaudelius, Vice President and Dean for Undergraduate Education.

Chair Schuyler recognized and extended appreciation to Steve Dunham and Lawrence Lokman for their commitment and service to the Board and to Penn State. On September 30, 2022, Dunham steps down as Vice President and General counsel at Penn State and transitions into a new role in the University's Office of General Counsel through Spring of 2023 and continue his faculty appointment in Penn State Law through next spring. Dr. Bendapudi has approved Steve be granted the title of Vice President and General Counsel Emeritus, in recognition of his meritorious service. Vice President for Strategic Communications Lokman will depart Penn State October 28, 2022, following eight years leading the University's central marketing and public relations division.

Chair Schuyler noted that the Board met in executive session earlier in the day to discuss various privileged matters. He acknowledged the Board received more than 210 public comment submissions regarding the proposed casino in College Township, and stated the proposed casino is planned for property in State College but is otherwise not associated with the University. Decisions regarding its opening are made by local municipalities and the Pennsylvania Gaming Control Board, with mechanisms in place for opposition or support for this private endeavor with those decision-makers. He continued that the Board of Trustees appropriately does not have a stance on the project, nor does the Board have the means to promote or stop the development of a private, legal operation that has been approved by local and state officials. He concluded that the Board remains focused on helping the University continue its teaching, research and outreach missions and supporting the goals of Penn State students, faculty, and staff. Chair Schuyler then called the meeting to order.

Shannon Harvey, Associate Secretary of the Board, reported all Trustees were present except for Trustees Dunn, Hartzler, Pegula, and Wolf, constituting a quorum.

Approval of Minutes from July 22, 2022 Meeting

A motion to approve the *Minutes* of the July 22, 2022 Meeting was seconded and approved by the Board.

Reports from Standing Committees

Chair Schuyler called for reports from the Standing Committees. Any action item considered and voted on in the Committee was included in reports by the respective Committee chairs. The full Board was asked to consider Committee recommendations at the conclusion of each report.

A. Committee on Academic Affairs, Research and Student Life

Chair Wagman recognized the new constituent members of the AARSL Committee Emeritus Trustees Barb Doran and former AARSL Chair Bill Oldsey; President of the World Campus Student Government Association Sabrina Smith; Chair of the University Faculty Senate Michele Stine; and Immediate Past Chair of the University Staff Advisory Council Benjy Romig.

Chair Wagman reported that the Committee on Academic Affairs, Research and Student Life had a planning call in August to establish goals and meeting agenda topics for the year. They include: Student Success: Strategies for Increasing Graduation Rates Among Underrepresented Students at Penn State; The Future of the Higher Education Workforce: Trends and Potential Strategies in the Faculty Labor Market for Penn State (public meeting on this topic scheduled for October 20, 2022); Commonwealth Campus Enrollment & Marketing Strategies for Improvement: A Strategy to Address the Affordability Issue for Students; Strategies for Strengthening and Expanding the Research Enterprise at Penn State, with a Focus on the College of Medicine, including NCI Designation; and Academic Rankings: Strategies for Future Ranking Improvement at Penn State. Each session will include faculty, staff and students from the topic areas for generative discussion.

Chair Wagman reported that he recently attended a PSU Abington student/faculty roundtable on career services and internships, as a follow-up to February's meeting topic of Strategies for Ensuring Career Readiness Among Penn State Students. He was impressed by the level of engagement between students and career services staff and encouraged all students to fully leverage alumni engagement opportunities. He also experienced the integration of technology in the classroom to enhance learning strategies supported by technology.

There were no action items presented to the Board.

B. Committee on Audit and Risk

Chair Rakowich reported that the Committee met on September 22, 2022 and unanimously approved a resolution to appoint Baker Tilley as the audit firm of record to conduct several smaller audits in connection with the fiscal year ended June 30, 2022. The next meeting of the Audit and Risk Committee is scheduled for Thursday, October 28, 2022 from 8:00 – 10:00 a.m. At this meeting the Committee will approve the Internal Audit Annual Audit Plan, review the audited financial statements and management letter provided by Deloitte, the University's external auditor, review the Committee's self-assessment and receive a number of updates related to the Committee's oversight responsibilities.

There were no action items presented to the Board.

C. Committee on Equity and Human Resources

Chair Schneider reported that since the Committee's meeting in July where the EQHR Committee goals for the 2022 – 2023 year were approved, the Committee continues to work with Dr. Bendapudi and the administration on identifying the format and data sources for a Diversity, Equity and Inclusion dashboard to provide oversight of the University's policies, initiatives, and strategic goals

related to DEI. The next scheduled meeting on October 20th will look to finalize the DEI Dashboard and the Committee is anticipating an update on the Compensation Modernization project scheduled for completion in December.

Chair Schneider reported that the Committee's focus for the upcoming year will be to work closely with the Subcommittee on Compensation to identify gaps and overlaps between the roles and responsibilities of each committee and make recommendations as appropriate to adjust and/or align Operating Guidelines accordingly.

Chair Schneider reported that the Committee also has a number of items that will be coordinated with the Governance and Long-Range Planning Committee to include discussion of strategies to expand the diversity of candidates for the Board of Trustees and Commonwealth Campus and College Advisory Boards as well as Board related diversity, equity and inclusion training.

There were no action items presented to the Board.

D. Committee on Finance, Business and Capital Planning

Chair Fenza reported that the Committee met on September 22, 2022, with a quorum of the Committee present and the Committee approved the July 21, 2022 meeting *Minutes*. The Committee also received informational reports on the Long-Term Investment Pool as of June 30, 2022, College Dashboards and the University's Capital Plan and Borrowing Report.

Chair Fenza continued with his introductions of Agenda Items for consideration and approval.

Agenda Item 4.d.1. Proposed Final Plan Approval and Authorization to Expend Funds for the Comparative Medicine Facility Expansion and Modernization, Penn State College of Medicine. The Committee unanimously approved the recommendation of the resolution for Agenda Item 4.d.1.

Agenda Item 4.d.2. Consideration of Proposed Appointment of James P. Brandau and Colleen Ostrowski, non-University employees to the Penn State Investment Council. The Committee unanimously approved the recommendation of the resolution for Agenda Item 4.d.2.

Agenda Item 4.d.3. Consideration of Proposed Operating Budget for Fiscal Year 2022-2023. The Committee unanimously approved the recommendation of the resolution for Agenda Item 4.d.3.

Agenda Item 4.d.4. Consideration of Request for Fiscal Year 2023-2024 Appropriations for Operations. The Committee unanimously approved the recommendation of the resolution for Agenda Item 4.d.4.

Chair Fenza reported that the Finance Business and Capital Planning Committee also set forth Goals for the upcoming year to include: a review and approval of a multi-fund, balanced budget plan and financial oversight metrics, including quarterly budget to actual reports and campus and college dashboards; review and approval of a new five-year capital plan, prioritization process, and maintenance of the physical plant (buildings and infrastructure); financial oversight of auxiliaries; to include assessing the future of non-core assets; and cost control of employee benefits. The committee will also schedule and receive reports related to assigned risk areas to include: Penn State Health funding for the College of Medicine and risks from Penn State Health operations and finances; operating a Division 1 Athletics program, maintaining financial stability and compliance; employee benefits programs, costs, and federal and state requirements; and the long-term financial stability of the University.

Action Items

1. Proposed Final Plan Approval and Authorization to Expend Funds, Comparative Medicine Facility Expansion & Modernization, Penn State College of Medicine

The Committee on Finance, Business and Capital Planning recommended that the Board of Trustees approve resolution 4.d.1. Sara Thorndike provided supporting remarks and context for this item. A motion to approve the following resolution was seconded and approved by the Board. Trustee Fenchak voted against the motion.

RESOLVED, That the final plans for the Comparative Medicine Facility Expansion and Modernization at the Penn State College of Medicine, as designed by HDR Inc. of Lawrenceville, NJ, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds and award contracts to accomplish the project is approved in the amount of \$37,300,000.

2. Proposed Appointment of Non-University Employees to the Penn State Investment Council

The Committee on Finance, Business and Capital Planning recommended that the Board of Trustees approve resolution 4.d.2. Sara Thorndike provided supporting remarks and context for this item. A motion to approve the following resolution was seconded and approved by the Board. Trustee Fenchak voted against the motion.

RESOLVED, That James P. Brandau, and Colleen Ostrowski, non-University employees, are appointed to the Penn State Investment Council each for a term ending in 2025.

3. Proposed Operating Budget for Fiscal Year 2022-2023

The Committee on Finance, Business and Capital Planning recommended that the Board of Trustees approve resolution 4.d.3. Sara Thorndike provided supporting remarks and context for this item. A motion to approve the following resolution was seconded and approved by the Board. Trustee Fenchak voted against the motion.

RESOLVED, That the Proposed Operating Budget for the University for the fiscal year beginning July 1, 2022, as shown in the 2022-23 Proposed Operating Budget, is approved.

4. Request for Fiscal Year 2023-2024 Appropriations for Operations

The Committee on Finance, Business and Capital Planning recommended that the Board of Trustees approve resolution 4.d.4. Sara Thorndike provided supporting remarks and context for this item. A motion to approve the following resolution was seconded and approved by the Board.

RESOLVED, That the Officers of the University are authorized to submit to the Legislature, appropriate departments, and offices of the Commonwealth of Pennsylvania, a State Appropriation Request for fiscal year 2023-2024 in the amount of \$469.539 million.

E. Committee of Governance and Long-Range Planning

Chair Potts reported that the Committee met on September 22, 2022, with a quorum of the Committee present. She continued with the introduction of Agenda Item 4.e.1 for consideration and approval.

Agenda Item 4.e.1 Proposed Election of Directors to the Corporation for Penn State. The Committee unanimously approved the recommendation of the resolution for Agenda Item 4.e.1.

The Committee also approved Goals for the upcoming year to include: to provide the Board with a best practices case study or article related to Board Governance and Fiduciary Responsibility in advance of every meeting for generative discussion at the meeting to further develop a Board

culture that prioritizes fiduciary duties and core responsibilities be carried out effectively and efficiently; to consider conducting a Board self-assessment, for the purpose of improving the effectiveness and efficiency of the Board of Trustees; to analyze the impact of the BOT Skill-Set Inventory over time and recommend improvements to the processes for utilizing the inventory in elections and appointments; to work with the Subcommittee on Long-Range Planning to disseminate the priorities from the 2022 Board Retreat to the appropriate Standing Committees of the Board for oversight and consideration and planning for future Retreat topics; to collaborate with the EQHR Committee on Board composition aspirational diversity goal; and to review and update, if necessary, the selection guidelines for the selection of Student Trustee.

Chair Potts also reported that the Committee's next scheduled meeting will be October 20, 2022 and will include a review of the Board's Skill Set Inventory and Board Diversity Matrix, the annual review of Operating Guidelines of all Board Committees and Subcommittees as well as a discussion on a Board Governance & Fiduciary Responsibility Best Practices topic.

Action Item

1. Proposed Election of Directors to the Corporation for Penn State

The Committee on Governance and Long-Range Planning recommended that the Board of Trustees approve resolution 4.e.1. A motion to approve the following resolution was seconded and approved by the Board.

RESOLVED, That the following persons be elected to the Board of Directors of The Corporation for Penn State:

Neeli Bendapudi	Matthew W. Schuyler
Mark H. Dambly	Justin Schwartz
M. Abraham Harpster	Michael Wade Smith
Randolph B. Houston Jr.	Sara F. Thorndike
David M. Kleppinger	Steven B. Wagman
Tracy A. Riegel	

F. Committee on Legal and Compliance

Chair Houston reported that the Committee met on September 12, 2022, with a quorum of the Committee present. He continued with the introduction of Agenda Item 4.f.1 for consideration and approval.

Agenda Item 4.f.1 Proposed Sale of Alcohol at Athletic Events. The Committee approved the recommendation of the resolution for Agenda Item 4.f.1. by a six to one majority vote.

The Committee has proposed Goals for the upcoming year to include a generative discussion of one substantive legal or compliance topic per meeting. The topics planned for discussion include the University's contract and procurement process with third parties, research compliance and the legal bases and foundations associated with obtaining, retaining and revoking tenure. The Committee will also continue to receive a comprehensive legal update at each meeting as well as receive reports related to the Committee's Risk Oversight Responsibilities and the University's Ethics and Compliance Strategic Plan.

Action Item

1. Proposed Sale of Alcohol at Athletic Events

The Committee on Legal and Compliance recommended that the Board of Trustees approve resolution 4.e.1. Patrick Kraft provided supporting remarks and context for this item. First, a motion to amend resolution 4.f.1 was seconded and approved by the Board in a roll call vote (31-2), Trustees Black and Cairns voted against the motion to amend the resolution. Then, a

motion to approve resolution 4.f.1 was seconded and approved by the Board in a roll call vote (28 – 5), Trustees Black, Cairns, Detwiler, Dietrich and Hoffman voted against the motion.

WHEREAS, Prior resolutions of the Board of Trustees with respect to the approval of annual applications, renewals, and other filings required by the Pennsylvania Liquor Control Board for the use, possession and sale of alcoholic beverages on University premises, require that material changes to the terms and conditions previously approved by the Board of Trustees with respect to such licenses and permits shall be submitted to the Board of Trustees for its consideration and approval;

WHEREAS, The University, through its Department of Intercollegiate Athletics, has proposed to expand the scope of the previously approved sale of alcoholic beverages at football games and other events at Beaver Stadium, as described [in Appendix A hereto];

NOW, THEREFORE, The University's plan for the expanded sale of alcoholic beverages, as described in Appendix A, is hereby approved.

[Appendix A]

G. Committee on Outreach, Development and Community Relations

Chair Sokolov stated the Committee will meet on October 20, 2022. The agenda will include a discussion on approaches to further make Penn State programs and content accessible to Alumni across the country and around the globe and strategies to broaden Alumni engagement and participation in the Board of Trustees election process. We'll also receive an update from Strategic Communications on the University's Crisis Communication protocols and Zack Moore will present Government Relations' plans to communicate the value and impact of Penn State University to state legislators and Pennsylvania's new Governor.

In December, the Committee will receive a comprehensive review of the Ag Extension program and its footprint and structure throughout the Commonwealth including the impact on the various communities it serves and review strategies for the continued growth and implementation of its programs. We'll also receive an update from on the outcome of the fall elections and discuss strategies to increase and leverage the number of advocates in the Advocate Penn State program.

The ODCR Committee Priorities and Goals for this year did incorporate specific quantitative measures to track programs in attaining the determined goals. As part of each meeting, the committee will receive an update on progress towards those goals from Strategic Communications, Development, Alumni Relations, Government Relations, Outreach and World Campus.

There were no action items presented to the Board.

President's Report

President Bendapudi stated that U.S. Secretary of Agriculture Tom Vilsack visited Penn State on September 14 to announce funding of up to \$25 million from the U.S. Department of Agriculture to support a new Penn State-led collaboration with dairy industry associations and producers to develop and implement climate-smart practices on Pennsylvania dairy farms.

President Bendapudi's remarks are available to view in their entirety [here](#).

Closing Remarks/Announcements

Chair Schuyler thanked all committee chairs, vice chairs, and trustees for their time and hard work dedicated to the Board and the University.

There being no other business, the public meeting was adjourned at 2:13 p.m.

Board of Trustees

9/23/2022

The meeting is available in its entirety [here](#).

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Respectfully submitted,

Frank T. Guadagnino
Secretary, Board of Trustees

Appendix A

Operational Plan Highlights – Alcoholic Beverages at Beaver Stadium

- Wrist banding every individual who purchases alcohol at the point of sale.
 - We will still check ID's at every transaction but this will allow us to monitor in real time that only those who are 21 (thus wearing a wrist band) are drinking alcohol.
- Addition of over 300 new staff members dedicated to the oversight, rule enforcement and operation of the sale of alcohol.
- Purchase of 140 mobile point of sale units, which are able to be used for any concession stand, cart, hawker we choose.
- Creation of a secured, dedicated Wi-Fi to allow for additional mobile points of sale, hawking and ID scanners.
- Beer stations placed strategically throughout venue to prioritize guest experience, flow and transactional speed of service.
 - Placed in areas away from student seating sections to discourage easy access/product merchandising.
- All alcohol sales will end at the end of the 3rd quarter.
- All employees serving beer will be RAMP trained and certified, standard practice in the industry.
 - This ensures that each person purchasing alcohol will have their ID checked and that a maximum of two drinks per person are sold at one time.
- Employees will also undergo alcohol absorption training, learning rate factors and intervention techniques to help identify patrons who may need assistance.
 - Work closely with the PA LCB to ensure compliance.
- Creation of a Liquor Liability Task Force to ensure all IDs are being checked.
- Implementation of a Secret Shopper program to ensure guests are properly served.
- Bringing in an additional 8-10 managers from around the country to support the operation.