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

Information Items -

1) Replacement of Existing Modular Building at Wiley Laboratory, University Park
2) Retention of Modular Building at the Centralized Biological Laboratory, University Park
3) Status of Major Construction Programs and Borrowing
4) Summary of New Funds
5) Summary of Major Commitments

Action Items -

6) Summary of Revisions to Existing Scholarships, Fellowships, Etc. (For the period February 25, 2008 through April 18, 2008)
7) Acknowledgments of Endowments and Other Major Commitments

(See Appendix I)

2. **Consideration of Proposed Interim Maintenance and Operating Budget for the University for the Fiscal Year Beginning July 1, 2008**

In order for the University to have an approved fiscal operating plan for the year beginning July 1, 2008, 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, 2008 Board of Trustees meeting when the State appropriation is clarified.
2. **Consideration of Proposed Interim Maintenance and Operating Budget for the University for the Fiscal Year Beginning July 1, 2008** (Continued)

Will the Committee on Finance and Physical Plant recommend to the Board of Trustees adoption of 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, 2008, total budget amounts at the level of the adjusted 2007-08 budget as follows:

<table>
<thead>
<tr>
<th>University Park and Other Locations</th>
<th>College of Medicine</th>
<th>Pennsylvania College of Technology</th>
<th>Total University</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Funds</td>
<td>$1,448,457,000</td>
<td>$86,256,000</td>
<td>$1,622,517,000</td>
</tr>
<tr>
<td>Agricultural Federal Funds</td>
<td>18,360,000</td>
<td></td>
<td>18,360,000</td>
</tr>
<tr>
<td>Restricted Funds</td>
<td>488,250,000</td>
<td>72,000,000</td>
<td>586,418,000</td>
</tr>
<tr>
<td>Auxiliary Enterprises a</td>
<td>282,783,000</td>
<td>3,896,000</td>
<td>306,754,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,237,850,000</strong></td>
<td><strong>$162,152,000</strong></td>
<td><strong>$2,534,049,000</strong></td>
</tr>
</tbody>
</table>

| Milton S. Hershey Medical Center    |                     |                                     | $891,139,000    |
| Total Funds                         |                     |                                     | **$3,425,188,000** |

*aIncludes increase in room and board charges as approved by the Board of Trustees, November 2, 2007.

3. **Report on Status of Appropriation Request**

4. **Proposed Purchase of O.W. Houts Property, University Park**

The University has the opportunity to acquire property adjoining the University Park campus, along West College Avenue, from owners of the property commonly known as O.W. Houts. Strategically, the acquisition provides the University with expansion opportunities and eliminates the possibility of adverse ownership.

The property, which is currently developed with various structures and includes one long term lease, is comprised of 5.61 acres with structures totaling 152,100 square feet. The property is comprised of eight parcels, six of which adjoin one another and are contiguous to University Park campus, the remaining two of which are separated by West College Avenue and adjoin one another. The parcels, five of which are in State College Borough and three in Ferguson Township, Centre County, are owned under various corporate or individual entities, all controlled by the Houts family.
4. **Proposed Purchase of O.W. Houts Property, University Park** (Continued)

Seven of the eight parcels, comprising 4.92 acres, have been offered to the University for $3,400,000, contingent upon the eighth parcel, comprised of .69 acres, being available to the University as a purchase option for $1,000,000 upon termination of an existing long term lease agreement. The University has agreed to pay one-half of the purchase price for the option property at settlement of the seven parcel purchase.

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

WHEREAS, it is desirable for the University to acquire property adjoining the University Park campus, along West College Avenue, through the acquisition of the O.W. Houts property comprised of 5.61 acres, with structures totaling 152,100 square feet;

RESOLVED, That the Board of Trustees approves the acquisition of eight parcels containing 5.61 acres located along West College Avenue, in State College Borough and Ferguson Township, Centre County, from the owners of the O.W. Houts properties, with $3,400,000 to be paid for the current purchase of seven parcels and an additional $1,000,000 to be paid for the eighth parcel at termination of an existing long term lease agreement.

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.

5. **Report on Student Facilities Fees**

A report and recommendation on a Student Facilities Fee will be presented at the meeting.

6. **Proposed Appointment of an Architect, Daycare Facility, University Park**

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

7. **Review of Physical Plant at Penn State Erie, The Behrend College**

A brief review of the existing Physical Plant at Penn State Erie, The Behrend College, site of the July meeting of the Board of Trustees, will be presented.

8. **Photo Report on Selected Construction Projects**

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

9. **Pending Legal Matters**

An informational report will be presented on pending legal matters relating to policies normally considered by the Committee on Finance and Physical Plant.