Meetings of the Board of Trustees

September 13, 2019

Agenda
1. Chair Welcome/Remarks

2. Call to Order

3. Consent Agenda Action Items [attached]
   a) Approval of Minutes from Previous Meeting
   b) Proposed Election of Directors of The Corporation for Penn State

   **Finance, Business and Capital Planning:**
   c) Proposed Naming of the Student Union “The Charles H. Booth, Jr. Student Union,” Penn State New Kensington
   d) Proposed Appointment of Non-University Employees to the Penn State Investment Council
   e) Proposed Appointment of an Architect, PACU Renovation, Penn State Health Milton S. Hershey Medical Center

   **Governance and Long-Range Planning:**
   f) Election of At-Large Membership to the Executive Committee
   g) Proposed Appointment of Directors for Penn State Health Board

4. Other Action Items [attached]
   a) Consideration of Request for 2020-2021 Appropriation for Operations
   b) Proposed Final Plan Approval and Authorization to Expend Funds, Animal, Veterinary, and Biomedical Sciences Building, University Park
   c) Proposed Final Plan Approval and Authorization to Expend Funds, Willard Building Renovation and Addition, University Park
   d) Proposed Approval of Graduate Apartment Rates
   e) Proposed Amendment to Authorization for Penn State Health to Incur Debt as a Separate Obligated Group
   f) Presidential Compensation

5. **Informational Report on the Penn State Alumni Association**
   Paul Clifford, Chief Executive Officer, will provide an informational update.

6. **Presidents Report and Discussion**

7. **Closing Remarks/Announcements**
9/13/2019     Consent Agenda Action Items

a) Approval of Minutes from July 18, 2019 Meeting

b) Proposed Election of Directors of The Corporation for Penn State

According to the Bylaws of The Corporation for Penn State, the members of the Corporation shall meet annually for the purpose of electing directors. The Pennsylvania State University is the sole member of The Corporation for Penn State.

Will the Board of Trustees adopt the following resolution:

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

   Eric J. Barron    Ira M. Lubert
   Kathleen L. Casey Keith E. Masser
   Mark H. Dambly    William F. Oldsey
   David J. Gray     Matthew W. Schuyler
   Frank T. Guadagnino  Robert J. Tribeck
   Nicholas P. Jones

c) Proposed Naming of the Student Union “The Charles H. Booth, Jr. Student Union,” Penn State New Kensington

The Facilities Naming Committee has recommended that the Board of Trustees name the Student Union at Penn State New Kensington, in honor of the long-time, major donor, Charles H. Booth, Jr.

Will the Board of Trustees adopt the following resolution:

RESOLVED, That the Student Union at Penn State New Kensington is named “The Charles H. Booth, Jr. Student Union.”

d) Proposed Appointment of Non-University Employees 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 Business/Treasurer of the University (Chair); Chief Executive Officer, Office of Investment Management; and five to nine non-University members (at least one of whom is a voting or emeriti member of the Board of Trustees). The terms are staggered as follows:

2019
Carmen J. Gigliotti, Managing Director (Retired), Private Equities, DuPont Capital Management (Wilmington, DE)
Colleen Ostrowski, Senior Vice President and Treasurer, Visa (San Francisco, CA)

2020
Gary A. Glynn, President and Chief Investment Officer (Retired), U.S. Steel & Carnegie Pension Fund (New York, NY)
J. David Rogers, Chief Executive Officer, JD Capital Management (Greenwich, CT)
Ira M. Lubert, Chairman and Co-Founder, Independence Capital Partners and Lubert Partners, L.P. (Philadelphia, PA)
J. Alex Hartzler, Managing Partner and Founder, WCI Partners, L.P. (Harrisburg, PA)
It is proposed to reappoint Carmen J. Gigliotti and Colleen Ostrowski, non-University employees, to membership with terms expiring in 2022.

Will the Board of Trustees adopt the following resolution:

RESOLVED, That Carmen J. Gigliotti and Colleen Ostrowski, non-University employees, are appointed to the Penn State Investment Council for terms ending in 2022.

e) Proposed Appointment of an Architect, PACU Renovation, Penn State Health Milton S. Hershey Medical Center

A current project to construct three additional operating rooms above the recent emergency department building expansion at the Penn State Health Milton S. Hershey Medical Center (MSHMC) will be complete in Fall 2019. That project will create state-of-the-art operating rooms that are contiguous to the existing operating room suites in the main hospital building. As a result, an opportunity exists to decommission three inefficient South Addition operating rooms to make space for much needed post-anesthesia care space. The renovated Post-Anesthesia Care Unit (PACU) space will include 22 new patient care stations, a nurse station, staff areas (locker room & lounge), a nourishment area, laundry storage, equipment storage, physician work space, and support space for family and visitors.

In February 2018, a request for proposals was advertised for professional design services based on a $9 million programming estimate. A selection committee comprised of representatives of MSHMC interviewed shortlisted hospital planning and design teams for the PACU renovations. Based upon a qualifications-centered process, the committee selected the firm of BDA Architects of Clarks Summit, Pennsylvania. Shortly thereafter, the same selection committee followed a similar process to select a construction manager.

During the project design, deficiencies discovered in the building envelope resulted in increased cost estimates, along with increases in material pricing and market conditions. The project is now estimated at $13 million, requiring Board of Trustee approval of the selected architect. Final plans for the PACU project will be brought to the Board of Trustees for approval when designed and final costs have been established.

Will the Board of Trustees adopt the following resolution:

RESOLVED, That BDA Architects of Clarks Summit, Pennsylvania, is ratified and confirmed as the architect of record for the final plans for the Post-Anesthesia Care Unit (PACU) Renovations, Penn State Health Milton S. Hershey Medical Center.
9/13/2019  Consent Agenda Action Items

f) **Election of At-Large Membership to the Executive Committee**

In accordance with the *Bylaws* (Article III; Section 3.02), at-large members for appointment to the Executive Committee can be nominated by the Committee on Governance and Long-Range Planning, with election by the Board, as necessary to have an executive committee of thirteen (13) members.

Will the Board of Trustees adopt the following resolution:

RESOLVED, That Richard K. Dandrea, Keith W. Masser and William F. Oldsey be elected as at-large members to the Executive Committee of the Board of Trustees.

g) **Proposed Appointment of Directors for Penn State Health Board**

The Board of Directors of Penn State Health recommends to the Board of Trustees the appointment of Dr. Kevin P. Black and Dr. David C. Han to the Board of Directors of Penn State Health. The term of the appointment would commence on the date this resolution is adopted and extend until June 30, 2020.

Will the Board of Trustees adopt the following resolution:

RESOLVED, That Dr. Kevin P. Black and Dr. David C. Han are hereby appointed as members of the Board of Directors of Penn State Health effective upon the date of this Resolution and expiring June 30, 2020.
Other Action Items

a) **Consideration of Request for 2020-2021 Appropriation for Operations**

Will the Board of Trustees adopt the following resolution:

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 2020-2021 in the amount of $359,774,000.

b) **Proposed Final Plan Approval and Authorization to Expend Funds, Animal, Veterinary, and Biomedical Sciences Building, University Park**

Henning Building, located on Shortlidge Road between Park Avenue and Curtin Road, was 62,000 square feet. It was built in 1967, carried a significant maintenance backlog, and was no longer supporting University programmatic functions for the College of Agricultural Sciences. An early enabling project was previously authorized by the Project Decision Review Board, with notification to the FBCP committee in February, and demolition is underway.

A new state-of-the-art research and instructional laboratory building will be built on the same site. This project will help solidify the College of Agricultural Sciences’ standing as one of the top-ranked agriculture programs in the country.

Both the Veterinary and Biomedical Sciences Department and the Animal Science Department can be accommodated on the site with room for growth in the future, thus not only optimizing usage, but also laying the foundation for strengthening the two departments. These disciplines complement each other, and academic and research synergies will result through their co-location.

The new 105,000 square foot building will include accessible bathrooms and built-in equipment, such as fume hoods, autoclaves, and other necessary equipment for labs and the vivarium. Both departments will realize greater flexibility in the assignment of laboratory space.

Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the final plans for the Animal, Veterinary, and Biomedical Sciences Building at University Park, as designed by the firm of HOK of New York City, New York, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds and award contracts to accomplish the project be approved at a cost of $98,500,000.

c) **Proposed Final Plan Approval and Authorization to Expend Funds, Willard Building Renovation and Addition, University Park**

The 1949 portion of Willard Building, which is approximately 60,000 square feet of the entire 130,000 square foot facility near Old Main on Pollock Road, houses the Donald P. Bellisario College of Communications offices, College of Liberal Arts offices, and general-purpose classrooms. Thanks to a generous commitment from Donald P. Bellisario, the Donald P. Bellisario Media Center can be realized in the Willard Building. This cutting-edge facility will house the College of Communications’ state-of-the-art television studios, radio broadcast studios, its growing digital media agencies, student-media operations, and space for film and video creation. A new Strategic Communications studio suite will also be created.
9/13/2019 Other Action Items

This project will allow the consolidation of College of Communications spaces currently located in leased spaces at Innovation Park, and the Media Effects Research Lab, currently in James Building, into this central campus location. The Daily Collegian operations will be relocated to Willard, and offices and work stations for Liberal Arts will be included. Site work includes an improved entrance on Pollock Road with accessibility enhancements. Aging building utility systems servicing this portion of the building will be replaced.

Will the Board of Trustees adopt the following resolutions:

   RESOLVED, That the final plans for the Willard Building Renovation and Addition at University Park, as designed by Studios Architecture of Washington, D.C., are approved.

   FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of $48,000,000.

d) Proposed Approval of Graduate Apartment Rates

It is proposed to increase monthly lease rates for graduate student apartments at University Park for the 2020-21 academic year because of operating and facility maintenance costs.

Will the Board of Trustees adopt the following resolution:

   RESOLVED, That the monthly lease rates for graduate apartments at University Park 2020-21 be increased as shown below, as part of this resolution.

<table>
<thead>
<tr>
<th>Recommended Monthly Graduate Apartment 2020/21 Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rate</strong></td>
</tr>
<tr>
<td>1 Bedroom</td>
</tr>
<tr>
<td>2 Bedroom</td>
</tr>
<tr>
<td>3 Bedroom</td>
</tr>
<tr>
<td>3 Bedroom w 1.5 baths</td>
</tr>
<tr>
<td>Quad Apartment (per person)</td>
</tr>
</tbody>
</table>

e) Proposed Amendment to Authorization for Penn State Health to incur Debt as a Separate Obligated Group

Will the Board of Trustees adopt the following resolutions:

   WHEREAS, At its May 6, 2019 meeting the Board of Trustees authorized the transfer of certain parcels of real estate (together with improvements thereon) owned by the University, comprising what is described as the East Campus of the Penn State Health Milton S. Hershey Medical Center Campus (shown as lots 4, 6, 7 and 8 on the “PSHMC and College of Medicine Lot Layout Plan with Site Plan, dated 5-5-07”) to Penn State Health or its controlled designee, under and subject to restrictions as set forth in the Bylaws of Penn State Health in consideration for the payment of $18 million.
WHEREAS, Lot 4 of the East Campus contains land as well as improvements, including a 155,264 square foot improvement constructed in 2000 known as the Academic Support Building which houses critical academic support offices in service to both the College of Medicine and the Penn State Health Milton S. Hershey Medical Center, associated parking lots and storm water facilities (with such building, parking lots, stormwater facilities and related land being referred to as the "ASB Parcel").

WHEREAS, Upon further due diligence and analysis of the College of Medicine’s current and planned long-term on-campus space requirements in support of its academic missions, it is deemed in the University’s best interest to retain the ASB Parcel, pending further analysis of the needs of the College of Medicine.

RESOLVED, That the officers of the University are hereby authorized to enter into such subdivision applications and agreements, and execute such deeds as are necessary to (a) revise the parameters of Lot 4 to exclude the ASB Parcel, (b) convey the remaining acreage of Lot 4 as revised to Penn State Health for consideration based on the pro rata share of the acreage conveyed, and (c) amend the total consideration payable by Penn State Health for Lots 4,6,7 and 8 to an amount not to exceed $10.8 million.

(Appendix I)

f) Presidential Compensation

The Operating Guidelines for the Committee on Compensation provide that on annual basis the Committee on Compensation will recommend to the Board of Trustees, based upon an evaluation of performance goals and objectives, the President’s annual compensation, including salary and incentive compensation if applicable.

Will the Board of Trustees adopt the following resolutions:

WHEREAS, The Committee on Compensation has reviewed the Presidential performance goals and objectives as well as market and equity considerations; and

WHEREAS, The Committee on Compensation recommends annually to the Board of Trustees consideration of salary adjustments to the President’s salary based upon the President’s performance in light of established goals and objectives;

THEREFORE BE IT RESOLVED, That the Board of Trustees approves the salary terms for Eric J. Barron as recommended by the Committee on Compensation and presented to the Board of Trustees in executive session.