

10:15 a.m. -

1. **Roll Call**
2. **Approval of the Minutes of Previous Meetings**

Will the Board of Trustees approve the minutes of the meeting of the Board held on November 11, 2011; and the minutes of the Executive Committee meeting of the Board held on December 2, 2011?

3. **President's Report**
4. **Overview of Intercollegiate Athletics, The Pennsylvania State University**

Dr. David M. Joyner, Interim Athletic Director, will present an overview of Intercollegiate Athletics.

1:15 p.m. -

5. **Reports from Standing Committees**

Discussion of action and/or information items by the Standing Committees for consideration by the Board of Trustees:

- A. **Committee on Campus Environment** - Michael F. DiBerardinis, Chair
- B. **Committee on Educational Policy** - Kenneth C. Frazier, Chair

- 1) **Discussion of Consent Agenda Items Provided for Information or Approval of the Committee on Educational Policy:**

Information Items -

- a) Information on Undergraduate Programs
- b) Information on Graduate Programs

(See Appendix I)

- 2) **Recommendation for Approval of Administrative Appointment**

Will the Committee on Educational Policy recommend to the Board of Trustees adoption of the following resolution:

RESOLVED, That the Board of Trustees approves President Rodney A. Erickson's appointment of David J. Gray as Senior Vice President for Finance and Business effective February 6, 2012.

- C. **Committee on Finance and Physical Plant** - Linda B. Strumpf, Chair

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

Information Items -

- a) Bigler Fields Infrastructure, University Park
- b) Plaza and Walkway Upgrades, Penn State Berks
- c) Holtzinger and Science Building Laboratory Renovations, Penn State Altoona
- d) Slep Student Center Renovations, Penn State Altoona

5. Reports from Standing Committees (Continued)C. Committee on Finance and Physical Plant (Continued)1) Discussion of Consent Agenda Items Provided for Information or Approval of the Committee on Finance and Physical Plant: (Continued)

- e) Parking Lot Rebuild, Penn State New Kensington
- f) Science Building Lab Renovations, Penn State New Kensington
- g) Frable Building Renovation-Phase II, Penn State Greater Allegheny
- h) Energy Saving Program-Phase II, The Milton S. Hershey Medical Center
- i) West Housing Renovations, The Milton S. Hershey Medical Center
- j) Biochemistry Laboratories Renovations, The Milton S. Hershey Medical Center
- k) Microbiology and Immunology Laboratories Renovations, The Milton S. Hershey Medical Center
- l) Naming of Rooms, Portions of Buildings, and Plazas
- m) Purchase of Himes Property, Penn State Altoona
- n) Status of Major Construction Programs and Borrowing

Action Items -

- o) Summary of Revisions to Existing Scholarships, Fellowships, Etc.
- p) Acknowledgments of Endowments and Other Major Commitments

(See Appendix II)

2) Proposed Authorization to Engage Auditors

The Subcommittee on Audit of the Committee on Finance and Physical Plant will meet in January. The following resolution will be discussed and, if approved, will be recommended to the Committee on Finance and Physical Plant:

RESOLVED, That the Subcommittee on Audit recommends to the Committee on Finance and Physical Plant that the officers of the University be authorized to engage Deloitte & Touche, Certified Public Accountants, for the Audit of the accounts for the University for the year ending June 30, 2012.

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

RESOLVED, That the Officers of the University are authorized to engage Deloitte & Touche, Certified Public Accountants, for the audit of the accounts of the University for the year ending June 30, 2012.

3) Proposed Appointment of an Architect for Future Phases of the Arboretum, University Park

An arboretum master plan was developed and approved by the Board of Trustees in 1999 as part of the University Park master plan. A 2006 master plan update further refined the plans for the arboretum. The first phase of development was the H.O. Smith Botanic Gardens, which was formally opened April 25, 2010.

To initiate future phases of the arboretum and to assist in identification of future funding sources, detailed feasibility studies to include programming, schematic design, and marketing materials are required.

5. Reports from Standing Committees (Continued)C. Committee on Finance and Physical Plant (Continued)3) Proposed Appointment of an Architect for Future Phases of the Arboretum, University Park (Continued)

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

4) Proposed Appointment of an Architect, South Frear Renovations, University Park

In March of last year, renovations to South Frear, designed by Stantec, Inc., were approved to upgrade perimeter office mechanicals and reconfigure the third floor. Renovations to the fourth floor are planned in order to foster a similar more collaborative research. The first and second floors will also be studied and ultimately designed for future renovations not included in this project.

Due to the special nature of this project, the interview process has been conducted by the Office of Physical Plant. The Office of Physical Plant recommends the appointment of Stantec, Inc. for the design of this work because of their intimate knowledge of South Frear and satisfactory performance on previous South Frear renovations.

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

RESOLVED, That in view of the special nature of this project, the interview process has been conducted by the University's Office of Physical Plant.

FURTHER BE IT RESOLVED, That the Officers of the University are authorized to appoint Stantec, Incorporated of Endicott, New York, to design the South Frear Renovations at University Park

5) Proposed Appointment of an Architect, West Campus Chilled Water Plant Chiller, University Park

In March 2011, the Board of Trustees approved final plans for upgrades to the West Campus Chilled Water Plant, as designed by Trefz Engineering, Inc., to increase cooling capacity across the University Park campus. Since centralized cooling is much more efficient than cooling buildings individually, more existing and new buildings are being added to the centralized system every year. In order to accommodate the increased capacity, the University intends to add a 3,000 ton chiller and a two cell cooling tower to the West Campus Chiller Plant.

Due to the special nature of this project, the interview process has been conducted by the Office of Physical Plant. The Office of Physical Plant recommends the appointment of Trefz Engineering, Inc. for the design of this work because of their previous satisfactory design work on the North, West, and Chemistry Campus Chilled Water Plants, as well as their chilled water master plan and system hydraulic modeling services.

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

5. Reports from Standing Committees (Continued)C. Committee on Finance and Physical Plant (Continued)5) Proposed Appointment of an Architect, West Campus Chilled Water Plant Chiller, University Park (Continued)

RESOLVED, That in view of the special nature of this project, the interview process has been conducted by the University's Office of Physical Plant.

FURTHER BE IT RESOLVED, That the Officers of the University are authorized to appoint Trefz Engineering, Incorporated of Horsham, Pennsylvania, to design the West Campus Chilled Water Plant Chiller at University Park.

6) Proposed Appointment of an Architect, Recreation Hall Air Conditioning, University Park

The University intends to upgrade the air conditioning system in the Recreation Hall gymnasium at University Park to provide a comfortable environment for sporting event attendees, summer camp participants and other users, and to avoid gymnasium floor buckling due to summer humidity. The project includes two new air handling units, two new cooling coils, and insulation on existing ductwork.

Due to the special nature of this project, the interview process has been conducted by the Office of Physical Plant. The Office of Physical Plant recommends the appointment of AltieriSeborWeiber LLC for the design of this work based on their experience retrofitting older historic buildings with air conditioning.

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

RESOLVED, That in view of the special nature of this project, the interview process has been conducted by the University's Office of Physical Plant.

FURTHER BE IT RESOLVED, That the Officers of the University are authorized to appoint AltieriSeborWeiber LLC of Norwalk, Connecticut, to design the Recreation Hall Air Conditioning at University Park.

7) Proposed Appointment of an Architect, Main Building Renovation, Penn State Brandywine

The University intends to renovate 30,280 square feet of the Main Building at Penn State Brandywine. The project goals include upgrades to aging infrastructure, accommodating campus and building program changes, increasing energy efficiency, and providing full accessibility.

Due to the special nature of this project, the interview process has been conducted by the Office of Physical Plant. The Office of Physical Plant recommends the appointment of SMP Architects for the design of the renovations. SMP Architects successfully designed previous renovations to another area of this building and are familiar with building systems and campus personnel.

5. Reports from Standing Committees (Continued)C. Committee on Finance and Physical Plant (Continued)7) Proposed Appointment of an Architect, Main Building Renovation, Penn State Brandywine (Continued)

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

RESOLVED, That in view of the special nature of this project, the interview process has been conducted by the University's Office of Physical Plant.

FURTHER BE IT RESOLVED, That the Officers of the University are authorized to appoint SMP Architects of Philadelphia, Pennsylvania, to design the Main Building Renovation at Penn State Brandywine.

8) Proposed Final Plans and Authorization to Award Contracts, Pegula Ice Arena, University Park

The University is planning to construct a 200,000 square foot multi-purpose ice arena at University Park. The scope of work includes two sheets of ice, accommodations for five to six thousand spectators, and all support facilities required for this state-of-the-art venue.

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

RESOLVED, That the final plans for the Pegula Ice Arena as designed by the firm of Crawford Architects of Kansas City, Missouri, with Bohlin Cywinski Jackson of Wilkes-Barre, Pennsylvania, are approved.

FURTHER BE IT RESOLVED, That authorization to award contracts to construct the project be approved at a cost of \$89,000,000.

9) Proposed Final Plans and Authorization to Award Contracts, Moore and Cedar Building Renovations, University Park

The University is planning to renovate Cedar and Moore Buildings at University Park with upgraded building utility systems and interior/exterior improvements. Completing work on these two connected buildings at the same time will result in a cost savings to the University, will provide several construction efficiencies, and create a more consistent interior/exterior appearance.

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

RESOLVED, That the final plans for the Moore Building Renovation as designed by the firm of Kling Stubbins of Philadelphia, Pennsylvania, are approved.

BE IT FURTHER RESOLVED, That authorization to award contracts to construct the project be approved at a cost of \$21,900,000.

5. Reports from Standing Committees (Continued)C. Committee on Finance and Physical Plant (Continued)9) Proposed Final Plans and Authorization to Award Contracts, Moore and Cedar Building Renovations, University Park (Continued)

RESOLVED, That the final plans for the Cedar Building Renovation as designed by the firm of Kling Stubbins of Philadelphia, Pennsylvania, are approved.

BE IT FURTHER RESOLVED, That authorization to award contracts to construct the project be approved at a cost of \$9,500,000.

10) Proposed Purchase of Property at 1001 Old York Road, Penn State Abington

The University has the opportunity to acquire property from The Harbison York Road Limited Partnership located at 1001 Old York Road, Abington Township, Montgomery County. The acquisition provides the University at Penn State Abington with much needed parking, as well as added facilities for campus use.

The 2.76 acre property, which includes a vacant one-story approximate 20,000 square foot commercial facility and parking improvements, has been offered to the University for \$2,985,000. The acquisition shall be contingent upon the property being determined to be in acceptable condition by campus representatives and the Office of Physical Plant.

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

RESOLVED, That the Board of Trustees approves the acquisition of the property containing 2.76 acres located at 1001 Old York Road, Abington Township, Montgomery County, Pennsylvania, from The Harbison York Road Limited Partnership for \$2,985,000.

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.

11) Proposed Changes in Room and Board Charges for the 2012 Fall Semester, The Pennsylvania State University

It will be necessary to increase room and board charges effective for the 2012 Fall Semester because of increased operating and facility maintenance costs. Appendix III provides details of the Housing and Food Service Budget Presentation for 2012-2013, as well as the proposed rates at University Manor, The Milton S. Hershey Medical Center.

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

RESOLVED, That room and board charges at all locations be increased as shown on Schedules I through IV attached hereto and which are a part of this resolution.

(See Appendix III)

5. **Reports from Standing Committees** (Continued)

C. **Committee on Finance and Physical Plant** (Continued)

12) **Photo Report on Selected Construction Projects**

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

6. **Legal Matters**

Cynthia A. Baldwin, Vice President and General Counsel, will present an informational report on University legal matters and/or normally considered by a Standing Committee of the Board.

7. **Authorization to Confer Degrees**

Will the Board of Trustees authorize the President of the University to confer degrees at the end of the 2012 Spring Semester, Summer Session, and Fall Semester upon those students who have completed at those times the necessary requirements?

8. **Proposed Date of Election of Trustees by Delegates from Agricultural Societies, by the Alumni, and for Business and Industry**

The *Charter* of the University specifies that the election of trustees shall be held annually, by ballot, on such day and hour during the commencement week and on such day previous to the day for the final public exercises of commencement as from time to time shall be determined by the Board of Trustees.

Spring Commencement in 2012 will be held on Friday, Saturday, and Sunday, May 4, 5, and 6. Meetings of the Board of Trustees have been scheduled for May 4, 2012.

Will the Board of Trustees approve May 3, 2012 as the date for the delegate election of agricultural trustees, and for counting the ballots in the alumni election; and approve May 4, 2012 as the date for the election of business and industry trustees?

9. **Proposed 2013 Dates for Meetings of the Board of Trustees**

Will the Board of Trustees approve the proposed meeting dates for **2013** as follows (unless otherwise noted, all meetings will be held at University Park):

January 18, 2013	(Friday)
March 14-15, 2013	(Thursday-Friday) - Hershey
May 3, 2013	(Friday)
July 11-12, 2013	(Thursday-Friday) - Fayette
September 20, 2013	(Friday)
November 22, 2013	(Friday)

REMINDER: The Board of Trustees approved meeting dates for **2012** as follows:

January 20, 2012	(Friday)
March 15-16, 2012	(Thursday-Friday) - Hershey
May 4, 2012	(Friday)
July 12-13, 2012	(Thursday-Friday) - Worthington Scranton
September 14, 2012	(Friday)
November 16, 2012	(Friday)

10. Selection of Recipients of the 2012 Distinguished Alumni Award

A report of the Distinguished Alumni Award Screening Committee will be presented by Steve A. Garban, Chairman.

Will the Board of Trustees select, by written ballot, persons to receive the Distinguished Alumni Award in June 2012?

11. Announcements by the Chairman of the Board of Trustees**12. Election of Officers of the Board of Trustees**

Will the Board of Trustees elect officers to the following Board positions for the current year?

President

Vice President

1) Secretary

2) Associate Secretary

3) Assistant Secretaries

4) Treasurer

5) Assistant Treasurers

1) Secretary: In accordance with the *Bylaws* of the University, "The President of the University shall be ex officio the Secretary of the Board," and therefore, no election is necessary.

2) Associate Secretary: Incumbent, Paula R. Ammerman

3) Assistant Secretary: Incumbent, Carmella Mulroy-Degenhart

Assistant Secretary: Incumbent, Kimberly J. Belcher

Assistant Secretary: Incumbent, Wendy L. Peck

4) Treasurer: Incumbent, David J. Gray (effective February 6, 2012)

5) Assistant Treasurer: Incumbent, Deborah M. Meder

Assistant Treasurer: Incumbent, Susan J. Wiedemer

13. Election of Members of the Executive Committee

Article 4, section (1) of the *Bylaws* of the University specifies that "Not less than seven (7) nor more than eleven (11) members of the Board of Trustees to be chosen by ballot of the members present at the stated meeting of the Board in January each year together with the president and the secretary of the corporation shall constitute an executive committee to serve for a period of one year and until their successors are chosen. The president of the corporation shall be chairman of the executive committee, and the secretary of the corporation the recording secretary of the executive committee. The number of elected members of the executive committee, within the above limitations, shall be determined by the Board of Trustees at each said stated meeting."

13. Election of Members of the Executive Committee (Continued)

The Governance Advisory Group recommends that the Executive Committee be composed of up to eleven (11) members, including the ex officio members, and nominates the following Trustees to membership on the committee (pending the election of officers in Agenda Item 12, an additional name may be presented at the meeting):

Michael F. DiBerardinis
Rodney A. Erickson
Kenneth C. Frazier
Steve A. Garban
Edward R. Hintz, Jr.

Betsy E. Huber
Ira M. Lubert
Keith E. Masser
Linda B. Strumpf
John P. Surma

Will the Board of Trustees elect members to the Executive Committee for 2012?

14. Proposed Appointment of Member, Board of Directors of The Milton S. Hershey Medical Center

In May 2000, the Board of Trustees approved the establishment of the corporation "The Milton S. Hershey Medical Center," a Pennsylvania nonprofit corporation for the purpose of employing personnel, owning equipment, and holding the hospital and other licenses necessary to provide healthcare services. The Board further confirmed that the University will continue to fulfill its obligations as Successor Trustee of The Milton S. Hershey Medical Center through establishment of the corporation to operate the clinical enterprise and make the necessary appointments to the Board of Directors.

The Board of Directors of The Milton S. Hershey Medical Center consists of 15 members. Nine directors are appointed directly by the Board of Trustees with three-year, staggered terms; two are *ex officio* directors: the Senior Vice President for Health Affairs of The Pennsylvania State University, Dean of the College of Medicine, and Chief Executive Officer; and one director is elected from among the clinical department chairs at The Milton S. Hershey Medical Center. The remaining four directors are considered independent directors, with three-year, staggered terms, and are self-perpetuating. Together, these 15 directors are responsible for governance of The Milton S. Hershey Medical Center, subject, of course, to the authority of the Board of Trustees to appoint and remove its appointees.

Albert G. Horvath resigned as a director effective September 12, 2011. It is proposed to appoint David J. Gray to fill the vacancy effective February 6, 2012, for a term ending June 30, 2014.

Will the Board of Trustees adopt the following resolution:

RESOLVED, That David J. Gray is appointed as a member of the Board of Directors of The Milton S. Hershey Medical Center effective February 6, 2012, for a term ending June 30, 2014.

15. Election of Directors of The Corporation for Penn State

According to the *Bylaws* of The Corporation for Penn State, the members of the Corporation elect the directors of the Corporation. Due to recent changes in several senior administrative positions as well as the need to conduct business on behalf of the Corporation, it is proposed to elect David J. Gray (effective February 6, 2012) and Robert N. Pangborn as directors of The Corporation for Penn State.

15. **Election of Directors of The Corporation for Penn State** (Continued)

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.

David J. Gray (effective February 6, 2012)
Robert N. Pangborn

Proposed Room and Board Rates

The Pennsylvania State University

Effective Fall 2012

Undergraduate Residence Hall Room

Rates/Person/Semester

(Meal Plan Required)

Room Description	Number of Occupants	Current Rate	Proposed Rate	Proposed Increase
Standard Double	2	\$2,385	\$2,455	\$70
Standard Double/Bath	2	2,545	2,625	80
Small Double	2	1,775	1,830	55
Standard Double as Single	1	3,255	3,390	135
Triple	3	2,130	2,200	70
Triple/Bath	3	2,385	2,455	70
Triple as Double	2	2,385	2,455	70
Quad	4	2,130	2,200	70
Quad/Bath	4	2,385	2,455	70
Quad as Triple	3	2,385	2,455	70
Quad as Double	2	3,255	3,390	135
Standard Single	1	3,200	3,335	135
Standard Single/Bath	1	3,255	3,390	135
Eastview Small Single/Bath	1	3,670	3,815	145
Eastview Single/Bath	1	4,095	4,255	160
Eastview Large Single/Bath	1	4,360	4,530	170
RA Double	2	1,325	1,350	25
RA Single	1	1,595	1,625	30
RA Double as Single	1	1,595	1,625	30
RA Suite as Single	1	2,185	2,230	45
Standard Double Suite	2	2,800	2,890	90
Standard Double Suite as Triple	3	2,385	2,455	70
Standard Double Suite as Single	1	3,230	3,365	135
Standard Single Suite	1	3,230	3,365	135
Double Suite	2	3,020	3,110	90
Double Suite as Single Suite	1	3,960	4,125	165
Single Suite	1	3,960	4,125	165

Supplemental assignments will be priced at a 20% discount from the applicable suite or room rate.

Proposed Room and Board Rates Continued

The Pennsylvania State University

Effective Fall 2012

University Park Nittany Apartment Rates/Person/Semester*

Room Description	Number of Occupants	Current Rate	Proposed Rate	Proposed Increase
2 Bedroom Garden	4	\$2,875	\$2,965	\$90
4 Bedroom Garden	4	3,230	3,335	105
4 Bedroom Townhouse	4	3,345	3,450	105

**Room rate includes utilities.*

Erie, Behrend Apartment Rates/Person/Semester*

Room Description	Number of Occupants	Current Rate	Proposed Rate	Proposed Increase
2 Bedroom Garden	4	\$2,875	\$2,965	\$90
RA Apartment	3	1,830	1,865	35

**Room rate includes utilities.*

Harrisburg Apartment Rates/Person/Semester*

Room Description	Number of Occupants	Current Rate	Proposed Rate	Proposed Increase
Apartments-Bedroom Single	4	\$3,430	\$3,540	\$110
Apartments-Bedroom Double	8	3,020	3,115	95
Apartments-Bedroom Triple	10	2,720	2,805	85
RA Apartment	1	2,335	2,380	45

**Room rate includes utilities.*

Proposed Room and Board Rates Continued

The Pennsylvania State University

Effective Fall 2012

University Park Graduate Family Apartment Rates/Month*

Room Description	Number of Occupants	Current Rate	Proposed Rate	Proposed Increase
White Course 1 Bedroom	N/A	\$940	\$970	\$30
White Course 2 Bedroom	N/A	1,070	1,105	35
White Course 3 Bedroom	N/A	1,215	1,255	40

**Room rate includes utilities.*

University Park Graduate Apartment Rates/Person/Month*

Room Description	Number of Occupants	Current Rate	Proposed Rate	Proposed Increase
White Course 4 Bedroom Apartment	4	\$750	\$770	20

**Room rate includes utilities.*

Board Plan Rates/Semester

Meal Plan	Dining Dollars	Current Rate	Proposed Rate	Proposed Increase
Plan 1	\$620	\$1,840	\$1,895	\$55
Plan 2	705	1,925	1,980	55
Plan 3	765	1,985	2,040	55
Plan 4	870	2,085	2,145	60
Plan 5	950	2,165	2,225	60
Plan 6	1,115	2,325	2,390	65

UNIVERSITY MANOR APARTMENTS

CURRENT vs PROPOSED MONTHLY RENTAL RATES

<u>Type Occupancy</u>	<u>No. Units</u>	<u>Current Rates Per Apt.</u>	<u>Proposed Rates Per Apt.</u>	<u>Amount Increase</u>
University Manor East				
1 Bedroom (with Washer/Dryer)	24	\$ 854	\$ 878	\$ 24
2 Bedroom (with Washer/Dryer)	208	\$ 1,000	\$ 1,026	\$ 26
3 Bedroom (with Washer/Dryer)	16	\$ 1,110	\$ 1,146	\$ 36
University Manor West				
4 Bedroom (furnished) *	31	\$ 1,992	\$ 2,044	\$ 52

* NOTE: Proposed monthly increase per bedroom is \$13.

1. Information on Undergraduate Programs

A. College of Arts and Architecture

- 1) Minor in Digital Arts and Information Sciences and Technology in the College of Arts and Architecture: Phase Out of Minor

Low enrollments support the decision to discontinue the minor. All students currently in the program will have a reasonable opportunity to complete the minor. There will be no impact on tenure track faculty. The elimination of the minor will be effective Spring 2012.

B. College of Earth and Mineral Sciences

- 1) Minor in Electrochemical Engineering in the College of Earth and Mineral Sciences: New Minor

The new minor addresses the goal of providing clean energy needs particularly in the electrochemical power generation sector. The minor integrates skill sets in fundamentals of electrochemistry and electrochemical engineering appropriate to those working in electrochemical power generation industries, government agencies, and academic and research institutions. The new minor will be effective Summer 2012.

- 2) Water and Land Use Option, Climate Change Option, Energy Option and General Option, in the Bachelor of Science in Earth Science and Policy in the College of Earth and Mineral Sciences: New Program and Options

The new program and options represent state-of-the art advancements in the field and laboratory. These programs are designed for students interested in careers in environmental law, environmental consultation, and non-profit organizations working on issues of environmental science and policy. This new program and the associated options will be effective Spring 2012.

- 3) General Geography Option, Human Geography Option and Nature-Society Geography Option in the Bachelor of Arts in Geography in the College of Earth and Mineral Sciences: New Options

The General Geography option provides with an emphasis on social and behavioral components. The Human Geography option stresses the social and behavioral aspects of the discipline, including economic geography and political economy, urban/regional development and planning, and cultural/historical geography. The Nature-Society Geography option emphasizes the complex linkages and multi-scalar processes among the biophysical environment and human societies. The new options will be effective Summer 2012.

- 4) Human Geography Option in the Bachelor of Science in Geography in the College of Earth and Mineral Sciences: Drop of Option

Enrollment has declined steadily for several years. Students currently enrolled will be able to complete their option. No faculty will be affected. The option will be discontinued effective Spring 2012.

- 5) Minor in Industrial Health and Safety in the College of Earth and Mineral Sciences: Phase Out of Minor

The minor has failed to attract a critical mass of students. All students currently in the program will have a reasonable opportunity to complete the minor. There will be no impact on tenure track faculty. The elimination of the minor will be effective Spring 2012.

1. Information on Undergraduate Programs (Continued)**C. College of Education**

- 1) Minor in Technology Integration for Pre-Service Teachers in the College of Education: Phase Out of Minor

The minor has not attracted sufficient student enrollment to justify continuation. All students currently in the program will have a reasonable opportunity to complete the minor. There will be no impact on tenure track faculty. The elimination of the minor will be effective Spring 2012.

D. College of Engineering

- 1) Multidisciplinary Engineering Design Option (to be delivered as an extended degree through a consortium) in the Bachelor of Science in General Engineering at Penn State Abington, Penn State Brandywine and Penn State Great Valley: Addition of Option

The new option will create a consortium providing increased effectiveness in the use of Penn State's faculty resources. It will be effective Summer 2012.

E. Eberly College of Science

- 1) Computation Option and Nanotechnology/Materials Option in the Bachelor of Science in Physics in the Eberly College of Science: New Options

The two new options will focus on areas of specialization necessary in crafting post-baccalaureate careers. The new options will be effective Summer 2012.

- 2) Acoustics Option and Teaching Option in the Bachelor of Science in Physics in the Eberly College of Science: Drop of Options

The Acoustics Option has been experienced low student enrollments that necessitate closure. The Teaching Option is being dropped due to new certification requirements enacted by the Commonwealth of Pennsylvania. The new options and the dropped options will be effective Summer 2012.

F. Intercollege Programs

- 1) Minor in Sustainability Leadership in Intercollege Programs: New Minor

The new minor will provide academic context for students who wish to advance issues of social, economic, and environmental sustainability. The new minor will be effective Summer 2012.

G. Penn State Erie, The Behrend College

- 1) Business Analyst Option and Systems Analyst Option in the Bachelor of Science in Management Information Systems at Penn State Erie, The Behrend College: New Options

The Business Analyst Option focuses on Business Intelligence and web technologies. The Systems Analyst Option emphasizes the design and development of new information systems. The new options will be effective Summer 2012.

1. **Information on Undergraduate Programs** (Continued)

H. The Mary Jean and Frank P. Smeal College of Business

1) Bachelor of Science in Actuarial Science in the The Mary Jean and Frank P. Smeal College of Business: Phase Out of Option

The Bachelor of Science in Risk Management added an option in Actuarial Science, Summer 2011. This option replaces the freestanding Bachelor of Science in Actuarial Science, which is phased out effective Summer 2012. Students will be given reasonable opportunity to complete their program. No faculty will be affected.

2. **Information on Graduate Programs**

A. Master of Agriculture (M.Agr.) Degree in Rural Sociology in the College of Agricultural Sciences: Drop of Program

The proposal to drop the Master of Agriculture (M.Agr.) degree in Rural Sociology in the College of Agricultural Sciences was approved by the Graduate Council at its October 19, 2011 meeting.

This degree has not been active for a number of years.

B. Master in Film and Video Degree in the College of Communications: Drop of Program

The proposal to drop the Master in Film and Video in the College of Communications was approved by the Graduate Council at its November 16, 2011 meeting.

The College discontinued offering the degree in Film and Video many years ago.

C. Master of Arts in Telecommunications Studies Degree in the College of Communications: Drop of Program

The proposal to drop the Master of Arts degree in Telecommunications Studies in the College of Communications was approved by the Graduate Council at its November 16, 2011 meeting.

The Core Council recommended that the program be discontinued due to insufficient enrollments in the program. Since 2003, a total of five students entered the program.

D. Doctor of Education (D.Ed.) Degree in Workforce Education and Development in the College of Education: Drop of Program

The proposal to drop the Doctor of Education (D.Ed.) degree in Workforce Education and Development in the College of Education (WFED) was approved by the Graduate Council at its November 16, 2011 meeting.

The Core Council recommended phasing out the D.Ed. in WFED due the low enrollment and graduation rates. Students interested in a doctoral degree in WFED can enroll in the Ph.D. program.

E. Master of Education (M.Ed.) Degree in Human Nutrition in the College of Health and Human Development: Drop of Program

The proposal to drop the Master of Education (M.Ed.) degree in Human Nutrition in the College of Health and Human Development was approved by the Graduate Council at its November 16, 2011 meeting.

The Core Council recommended that the program be discontinued due to insufficient enrollments in the program. Since 2003, a total of five students entered the program. The current graduate program in Nutritional Sciences is focused on doctoral-level students. Students who have graduated with a master's degree in Nutritional Sciences in the past four years have received the Master of Science

degree.

2. **Information on Graduate Programs** (Continued)

F. Doctor of Philosophy (Ph.D.) Degree in Biostatistics in the College of Medicine: New Program

The proposal to add Graduate Program in Biostatistics, offering the Doctor of Philosophy degree in the College of Medicine was approved by the Graduate Council at its November 16, 2011 meeting.

Biostatisticians working in the area of public health develop and use mathematical and scientific methods to (1) determine risk factors for disease and injuries, and (2) identify health trends within communities. Biostatisticians working in the area of medicine develop and use mathematical and scientific methods to design and analyze (1) clinical trials to investigate new therapies for treating acute and chronic illness, (2) observational studies to understand disease onset and progression, (3) basic science studies to determine the mechanisms of disease, and (4) human genetics studies to

investigate the inherited susceptibility to disease. The objectives of the Ph.D. in Biostatistics Program are to train students in the theory and methodology of biostatistics. The demand for individuals with graduate-level degrees in biostatistics, especially at the doctorate level is extremely high.

G. Biotechnology and Health Industry Management Option, New Ventures and Entrepreneurial Studies Option, and Management of Information Technology Option in the Master of Business Administration (M.B.A.) Degree in Business Administration at Penn State Great Valley School of Graduate Professional Studies: Change of Requirements and Drop of Options

The proposal to change requirements for the Master of Business Administration (M.B.A.) degree and drop options (Biotechnology and Health Industry Management; New Ventures and Entrepreneurial Studies; and Management of Information Technology) in Business Administration at Penn State Great Valley School of Graduate Professional Studies was approved by the Graduate Council at its October 19, 2011 meeting.

Management Division faculty closely monitor student performance, retention, graduation, and satisfaction. Three areas in the M.B.A. curriculum were identified for quality enhancement: (1) Re-Alignment of the MBA Curriculum with the Mission of the Program, (2) Updating the Curriculum Relative to Business and Community Expectations for MBA Graduates, and (3) Increased Flexibility for Students to Take Advanced Courses. The changes better align the program with accreditation standards, and eliminating the formal options allows students increased flexibility.

H. Master of Agriculture (M.Agr.) and Master of Forest Resources (M.F.R.) Degrees in Forest Resources and Master of Forest Resources (M.F.R.) and Master of Agriculture (M.Agr.) Degrees in Wildlife and Fisheries Science in the College of Agricultural Sciences: Drop of Programs

The proposal to drop the Master of Agriculture (M.Agr.) and Master of Forest Resources (M.F.R.) degrees in Forest Resources and Master of Forest Resources (M.F.R.) and Master of Agriculture (M.Agr.) in Wildlife and Fisheries Science in the College of Agricultural Sciences was approved by the Graduate Council at its December 14, 2011 meeting.

Due to enrollments in both degrees in both programs being low, the Core Council recommended phasing out the programs.

1. Bigler Fields Infrastructure, University Park

The University intends to complete improvements to utility infrastructure systems to support the Pegula Ice Arena, McCoy Natatorium Addition, Indoor Tennis Center, Field Hockey, and Shields Building facilities. The project includes improvements to the Sarni Pond detention structure and upsizing the storm line, a new steam tunnel and upsizing of the chilled water supply, and west lawn improvements at a cost estimate of \$2,715,000.

(See Appendix II.1)

2. Plaza and Walkway Upgrades, Penn State Berks

The University intends to construct a unified network of sidewalks and public spaces in the core of the Penn State Berks campus. The project includes a central paved plaza with a pergola, clock carillon, and fountain sculpture. The existing asphalt walkways will be replaced with handicapped accessible concrete walkways. The existing lighting will be replaced/upgraded, and landscaping will be enhanced. The cost estimate for this project is \$1,500,000.

(See Appendix II.2)

3. Holtzinger and Science Building Lab Renovations, Penn State Altoona

The University intends to renovate 7,550 square feet of science classrooms including two inorganic chemistry labs, one organic chemistry lab, two biology labs, two biology lab prep rooms, and one wet instrumentation room. The project includes replacement of heating, ventilation, and air conditioning equipment, lighting fixtures, laboratory casework and fume hoods, utility services, emergency eyewash and shower stations, and services for power and voice/data. The cost estimate for this project is \$2,000,000.

(See Appendix II.3)

4. Slep Student Center Renovations, Penn State Altoona

The University intends to renovate and add space to the first floor of the Slep Student Center, the campus hub for student activities. An existing exterior portico space will be enclosed to add approximately 800 square feet to this 17,500 square foot building. The project also includes a new entrance and vestibule, a gas fireplace, refreshed finishes, new lighting, heating, ventilation, and air conditioning. The area will be equipped with high quality audio, video and information technology. The cost estimate for this project is \$1,800,000.

(See Appendix II.4)

5. Parking Lot Rebuild, Penn State New Kensington

The University intends to rebuild the 202-space upper north parking lot at Penn State New Kensington. The project includes site lighting, landscaping, landscape islands and an improved storm water management system. The cost estimate of the entire project is \$1,200,000.

(See Appendix II.5)

6. Science Building Laboratory Renovations, Penn State New Kensington

The University intends to renovate 1,200 square feet of chemical laboratory and prep room space in the Science Building at Penn State New Kensington. The project includes replacement of nine fume hoods, lighting and power upgrades, new heating, ventilation, and air conditioning systems and upgrades to laboratory furnishings. The cost estimate of this project is \$1,000,000.

(See Appendix II.6)

7. Frable Building Renovation - Phase II, Penn State Greater Allegheny

The University intends to renovate 7,200 square feet of the first floor of the three-story Frable Building. The remainder of the first floor was renovated in 2011. The project includes various departments' offices, meeting rooms, restrooms, and corridors. The project scope includes upgrades to the electrical and mechanical systems. The cost estimate for this project is \$1,400,000.

(See Appendix II.7)

8. Energy Saving Program - Phase II, The Milton S. Hershey Medical Center

The University intends to upgrade heating, ventilation, and air conditioning in various sections of the college and hospital buildings. The upgrades are a continuation of the clinical science pilot project in Phase 1. The upgrades consist of converting HVAC constant air volume systems to variable air volume systems, improved operating strategies, and control upgrades. Additional energy conservation measures in Phase 2 include a kitchen exhaust fan control system and a coil loop heat recovery system. The cost estimate for this project is \$2,700,000 with a payback of 7.6 years.

9. West Housing Renovations, The Milton S. Hershey Medical Center

The University renovated 39,032 square feet of space in the University Manor West apartments. All finishes were replaced and a sprinkler system, smoke detectors and alarms were added. New teledata systems were installed throughout the complex. The exteriors of the buildings were upgraded with new roofing, energy efficient windows, fiber-cement siding and soffits. Insulation was added as part of the campus-wide energy savings project, which has already resulted in measurable energy savings. The cost for this project is \$4,521,000.

(See Appendix II.8)

10. Biochemistry Laboratories Renovations, The Milton S. Hershey Medical Center

The University intends to renovate approximately 5,823 square feet of laboratory space in the Department of Biochemistry and Molecular Biology in the Basic Science Building. The project includes the conversion of a few rooms into two open labs with two faculty offices and lab support rooms each. Additional support space including a conference room will be provided. Construction will occur in two phases to accommodate a current researcher who occupies part of the lab space. The cost estimate for this project is \$1,500,000.

(See Appendix II.9)

11. Microbiology and Immunology Laboratories Renovations, The Milton S. Hershey Medical Center

The University intends to renovate approximately 4,520 square feet of laboratory and office space in the department of Microbiology and Immunology in the Basic Science and Biomedical Research Buildings. Three 1,200 square foot labs will be converted to open lab design with faculty offices and tissue culture/lab support rooms. The project will be completed in two phases to accommodate occupancy logistics. The project will also include removal of a projector booth and finish upgrades to a conference room. The cost estimate for this project is \$1,500,000.

(See Appendix II.10)

12. Naming of Rooms, Portions of Buildings and Plazas

The Facilities Naming Committee has made certain recommendations to the President on the naming of rooms, portions of buildings and plazas. In accordance with the Policy on Naming University Facilities, the Board of Trustees is hereby informed that the President has approved the following naming actions:

12. Naming of Rooms, Portions of Buildings and Plazas (Continued)

- A. Name Swimming Lane #4, Indoor Aquatics Center, for a commitment from John Borgerding and Christine Fields. The recognition plaque should read:

*In loving memory of Charles W. Borgerding, Jr. by his family
Swimming Lane #4*

- B. Name a Graduate Assistant's Office (Room 224), Lasch Football Building, for a commitment from Chong K. and Michelle S. Moua. The recognition plaque should read:

*Zachary and Zoey Moua
Graduate Assistant's Office*

- C. Name the Assistant Coach's Office (Room 217), Lasch Football Building, for a commitment from Eric Ratner. The recognition plaque should read:

*Robert S. Ratner
Assistant Coach's Office*

- D. Name the Broadcast Booth, Pegula Ice Arena, for a commitment from Edward and Kathy Sobota. The recognition plaque should read:

*Edward Sobota Family
Broadcast Booth*

- E. Name a Waiting Area (Room T1320), Penn State Hershey Cancer Institute, in recognition of gifts received from the Frank J. Braccini Memorial Golf Tournament proceeds. The recognition plaque should read:

*Frank J. Braccini, Sr.
Family Lounge
T1320*

- F. Name the Gathering Space in the Sheetz Center for Entrepreneurial Excellence, Penn State Altoona, for a commitment from George and Mona Ferris. The recognition plaque should read:

George and Mona Ferris Family Gathering Space

- G. Name several spaces in the new campus wellness center, Penn State Beaver:

- 1) Concession Stand (113) in the lobby of the gymnasium for a commitment from Unis Dental Associates. The recognition plaque should read:

*Unis Dental Associates
Concession Stand
In recognition of
Nicholas J. Unis, D.M.D.
Jennifer Unis Sullivan, D.M.D., J.D.*

- 2) Gymnasium Classroom (101) for a commitment from Carl A. Bartuch, Jr. The recognition plaque should read:

*Carl A. Bartuch, Jr. Classroom
In recognition of
Carl A. and Katherine Bartuch*

13. Purchase of Himes Property, Penn State Altoona

Standing Order V., Paragraph (4) (c), entitled "Real estate purchases less than \$1 million in value" provides for such purchases to be presented to the Board of Trustees for information. The Board of Trustees is advised that in November, 2011 the University purchased a .617 acre undeveloped property adjoining Penn State Altoona, located along Juniata Gap Road, Altoona, Logan Township, Blair County, from Anthony and Mary Himes for \$50,000. The purchase clarifies University property lines and will enhance campus expansion opportunities.

(See Appendix II.11)

14. Status of Major Construction Programs and Borrowing

(See Appendix II.12)

15. Summary of Revisions to Existing Scholarships, Fellowships, Etc. (For the period October 17, 2011 through December 16, 2011)

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

RESOLVED, That the conditions governing certain existing scholarships, fellowships, awards, and similar funds previously established at the University be revoked and that the Officers of the University are authorized to put into effect the revised regulations as requested by the donors.

16. Acknowledgments of Endowments and Other Major Commitments

The Committee on Finance and Physical Plant is advised that for the period October 17, 2011, through December 16, 2011, 45 new funds totaling approximately \$2,308,168 were accepted by the University, including scholarships, fellowships, etc. All of these items conform to established University policies and regulations.

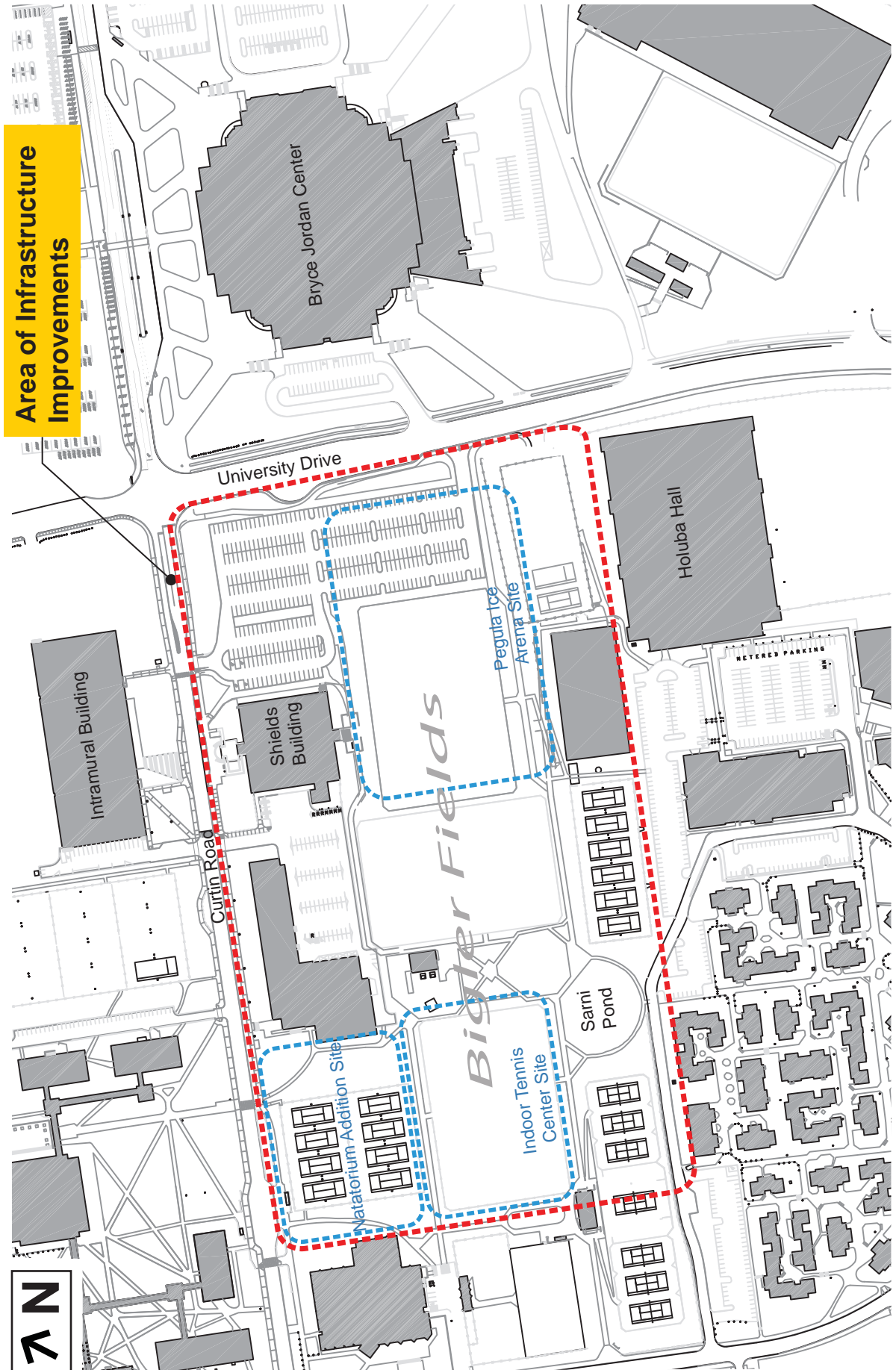
For the period September 1, 2011 through October 31, 2011, 40 major commitments were accepted by the University totaling approximately \$15,238,729.

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

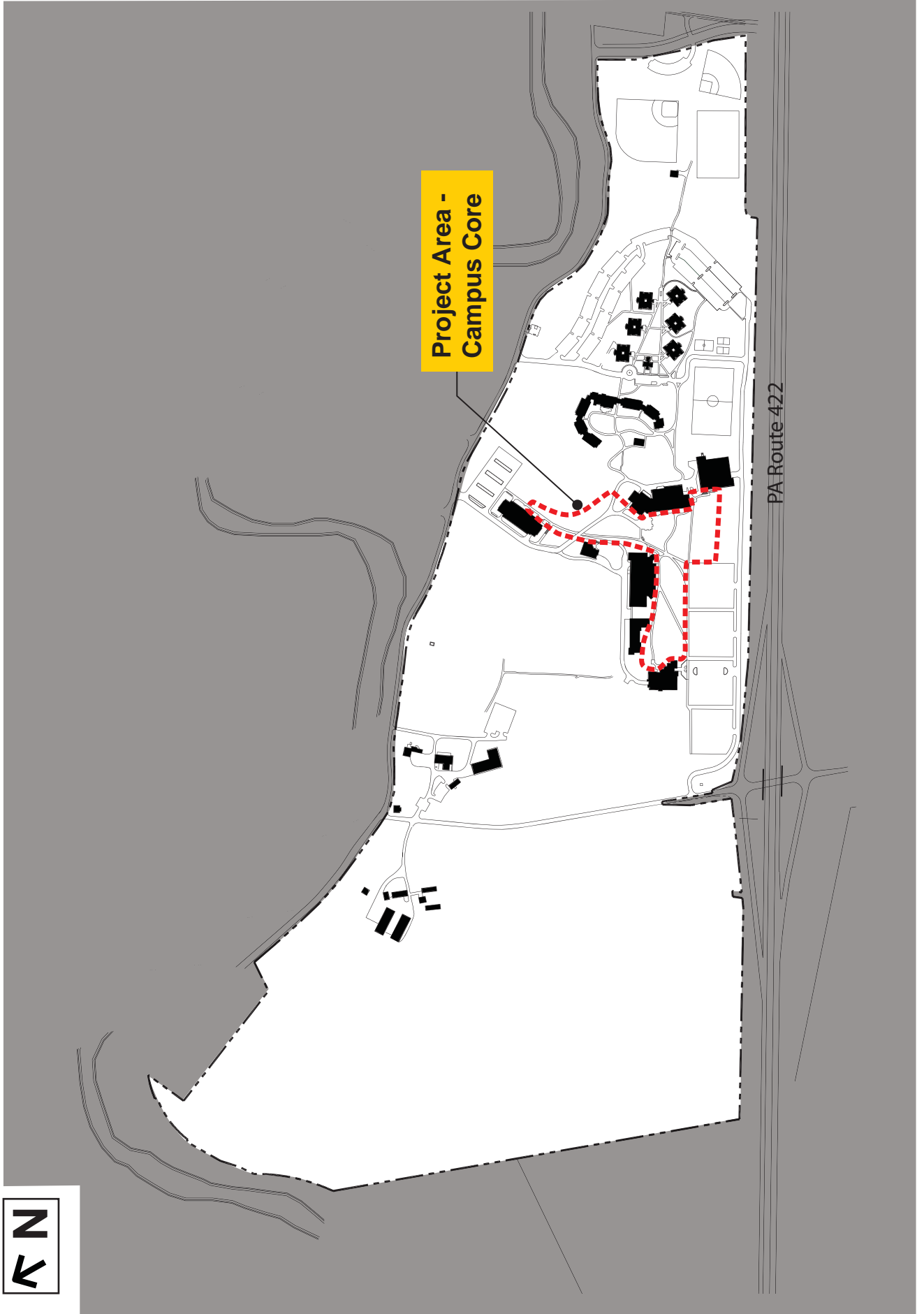
RESOLVED, That the Board of Trustees gratefully acknowledges the generous contributions of the many friends of the University in support of endowments, funds, and other major commitments as reported to the Committee on Finance and Physical Plant at its meeting of January 20, 2012.

FURTHER BE IT RESOLVED, That the Officers of the University are authorized to convey the Board's appreciation to these generous benefactors who provide opportunities for many students to receive a quality education.

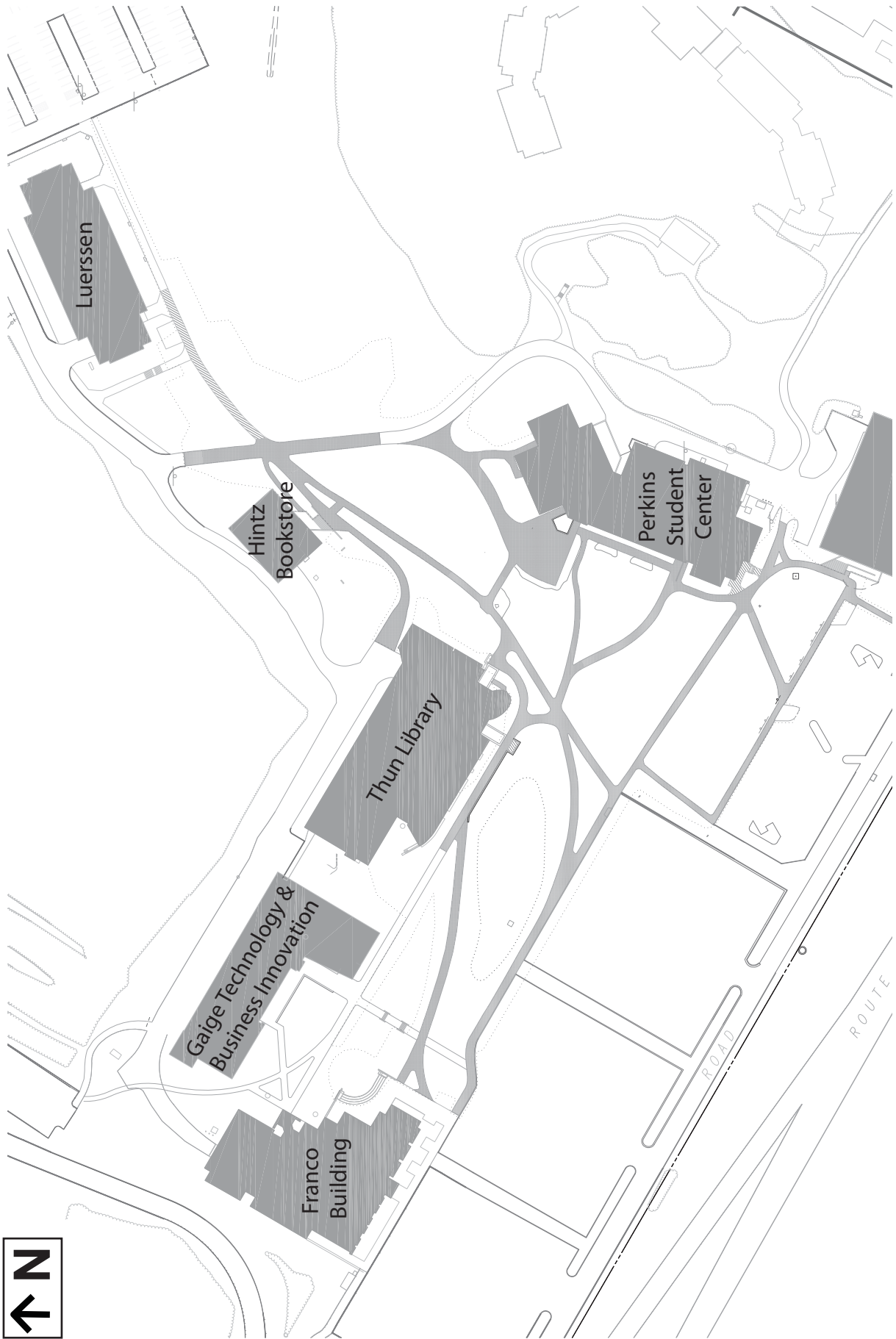
University Park



Penn State Berks

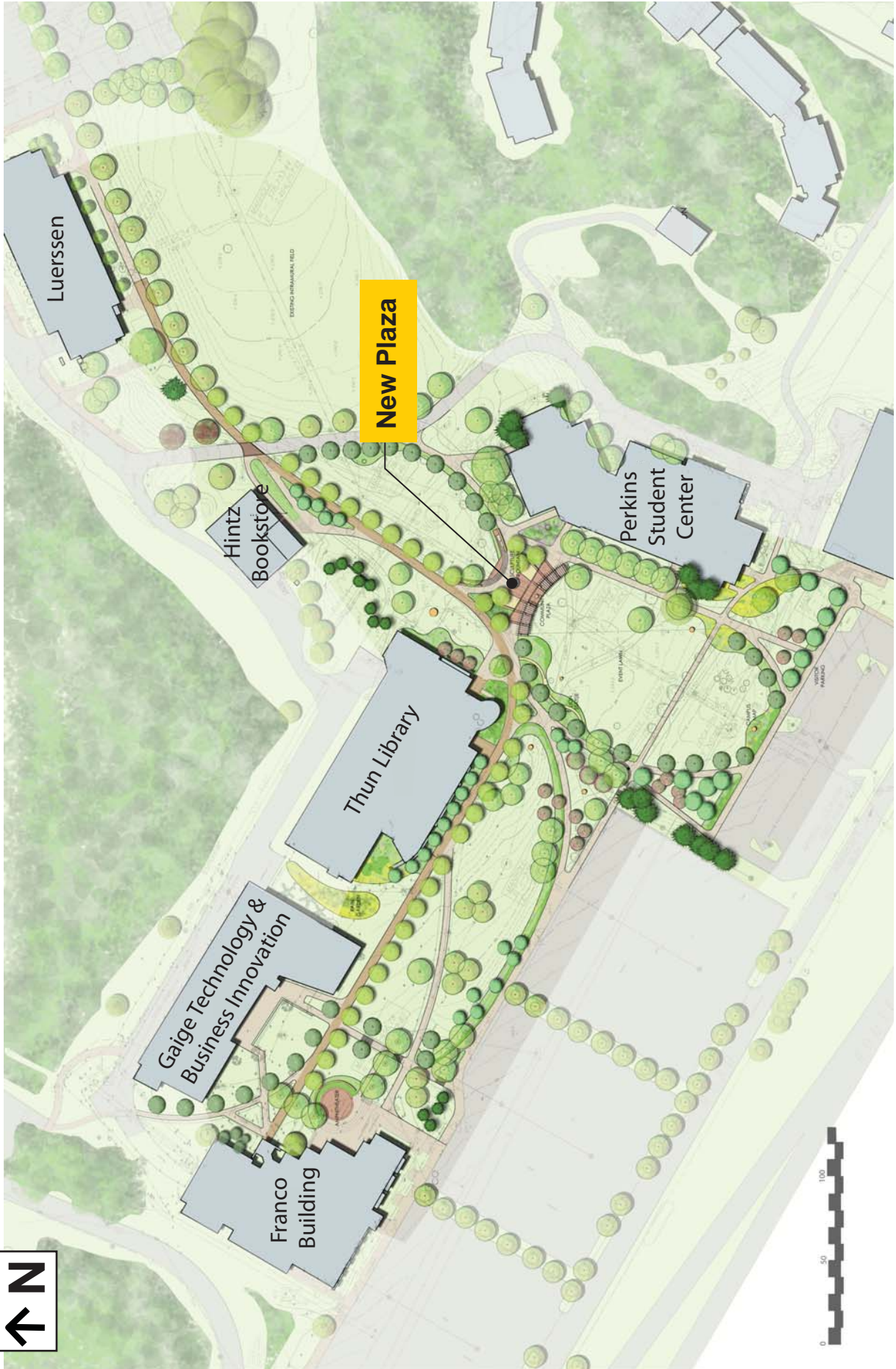


Penn State Berks



Existing Campus Core

Penn State Berks



Proposed Campus Core

Penn State Berks



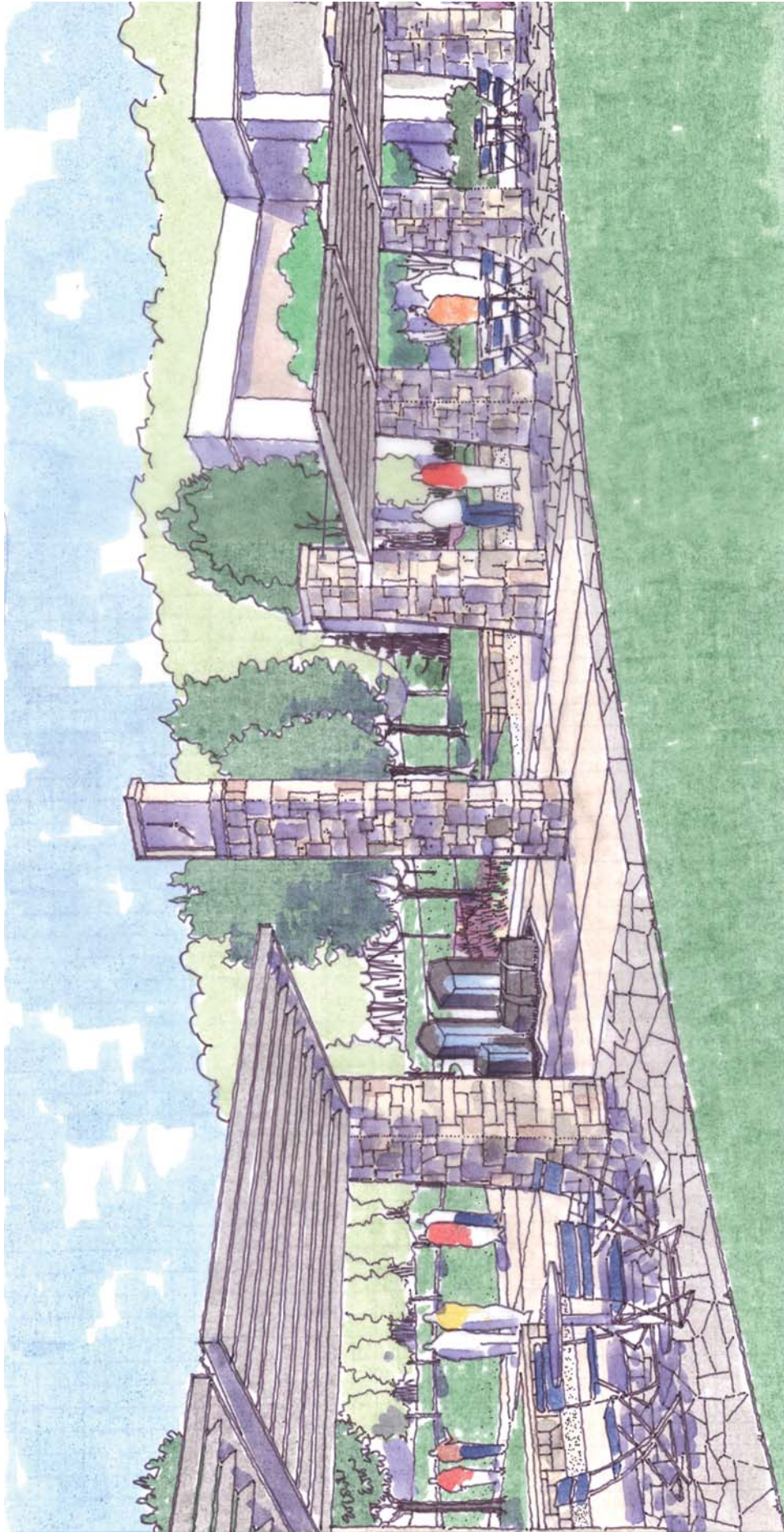
Thun Library



Perkins
Student
Center

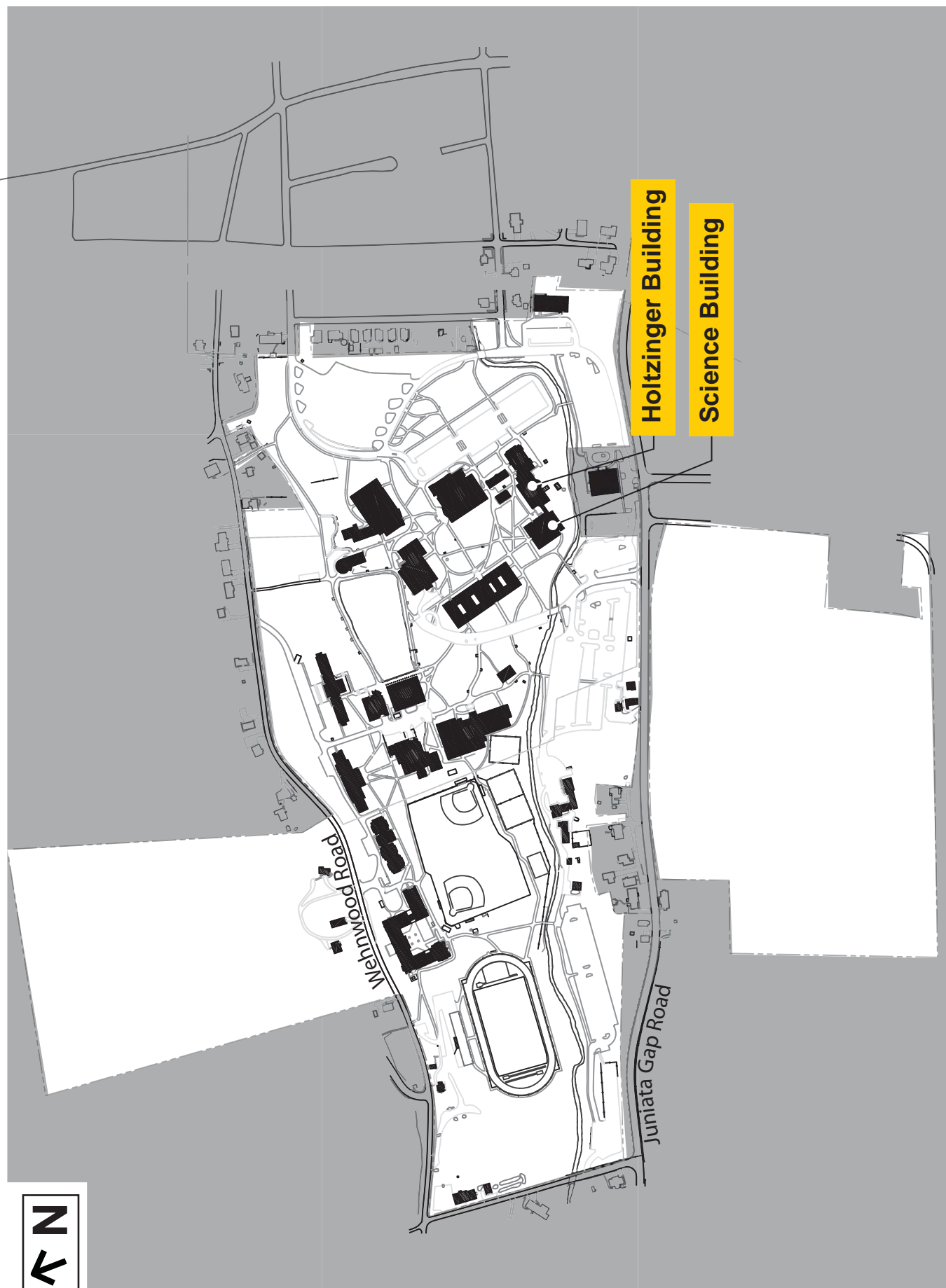
EVENT LAWN

Penn State Berks

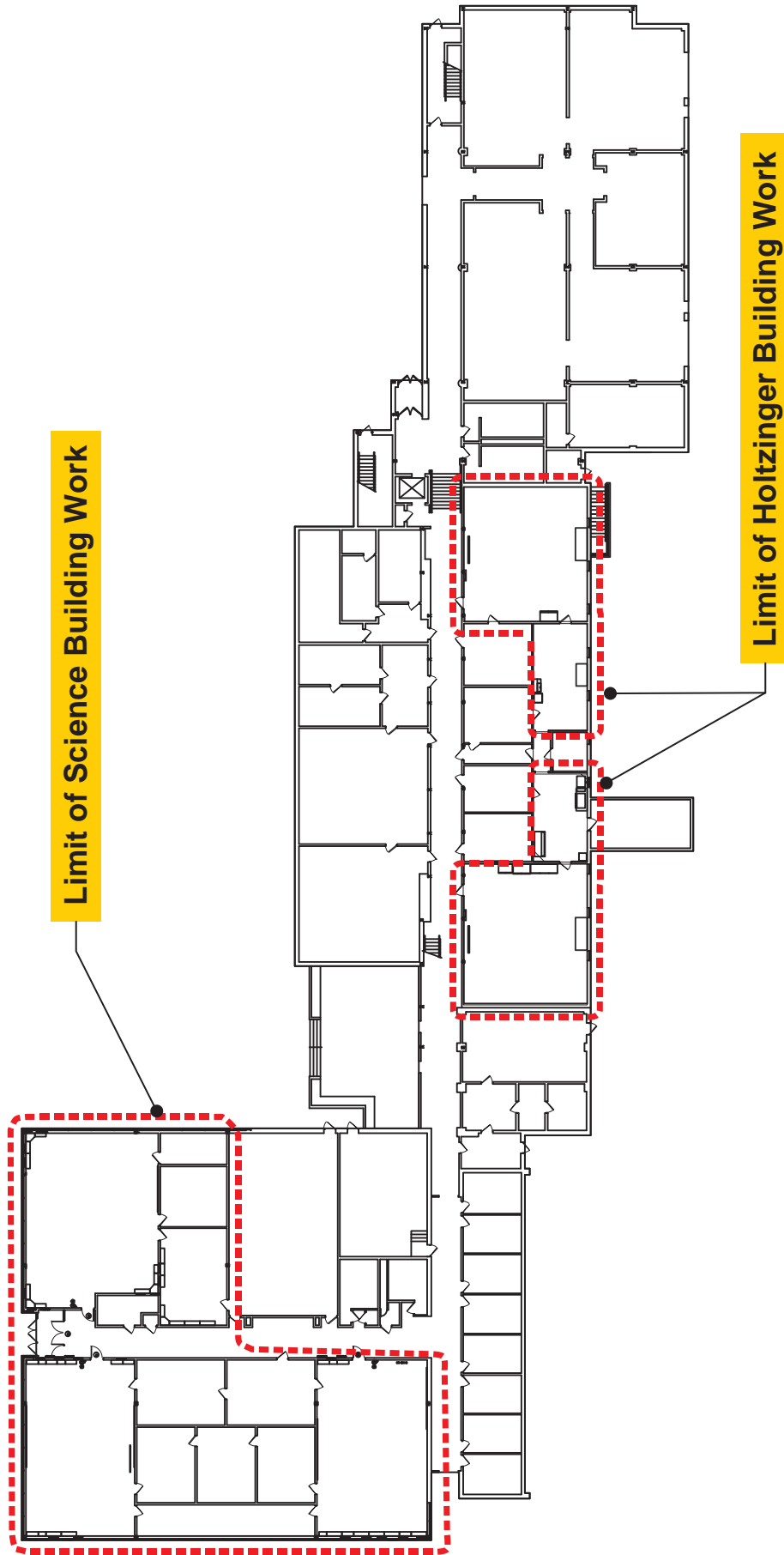


New Plaza

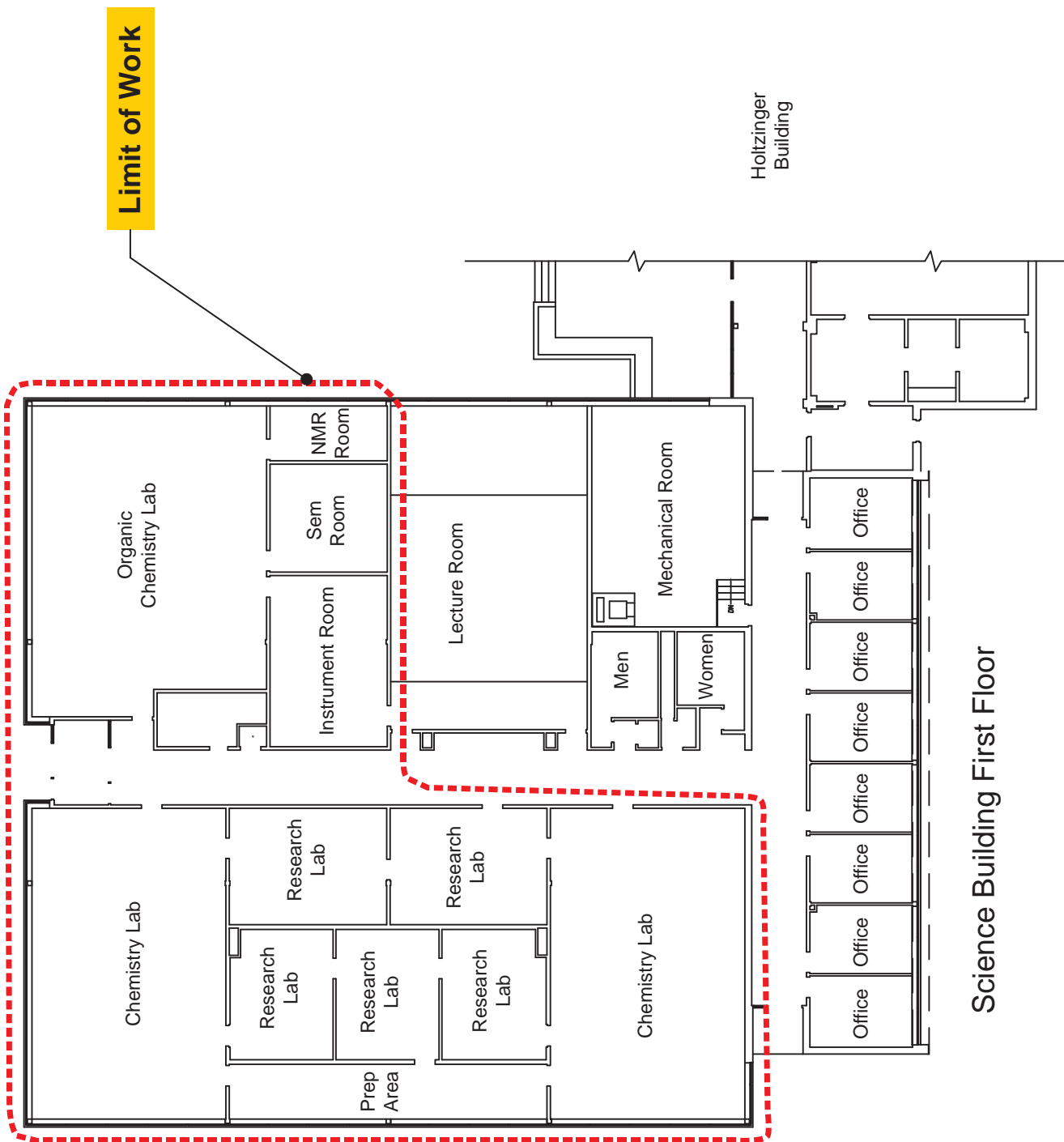
Penn State Altoona



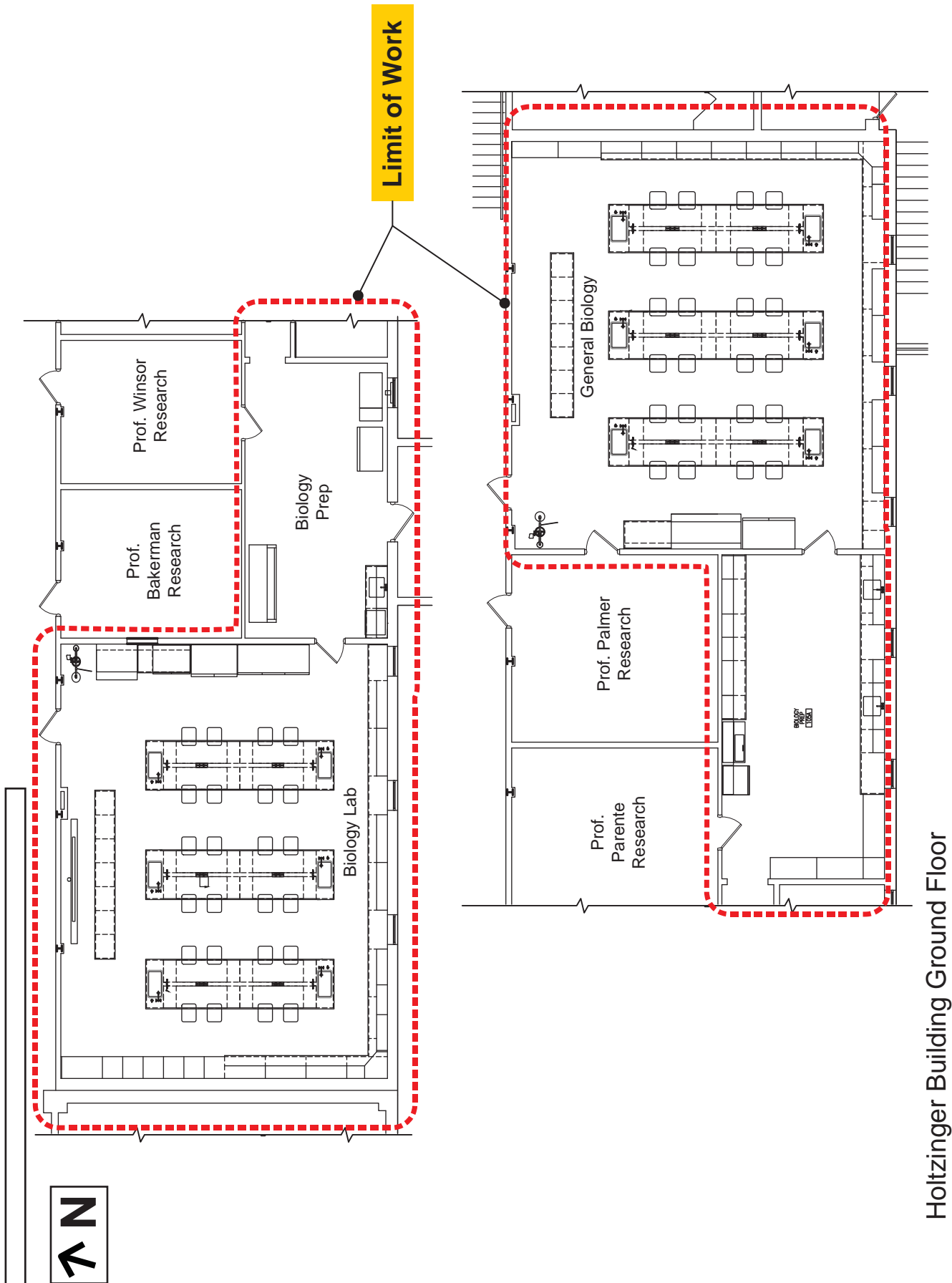
Penn State Altoona



Penn State Altoona



Penn State Altoona

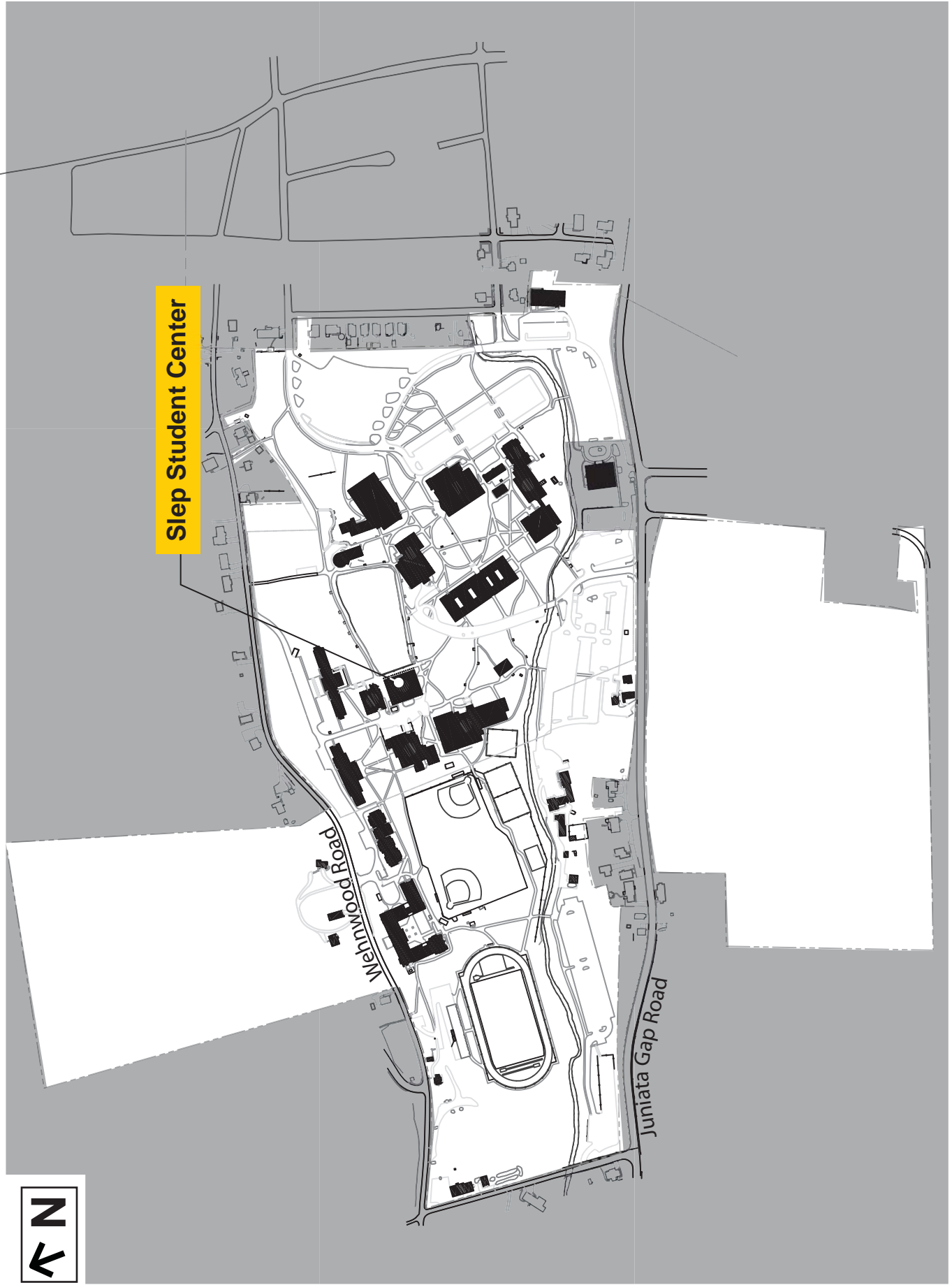


Holtzinger Building Ground Floor

Penn State Altoona



Slep Student Center

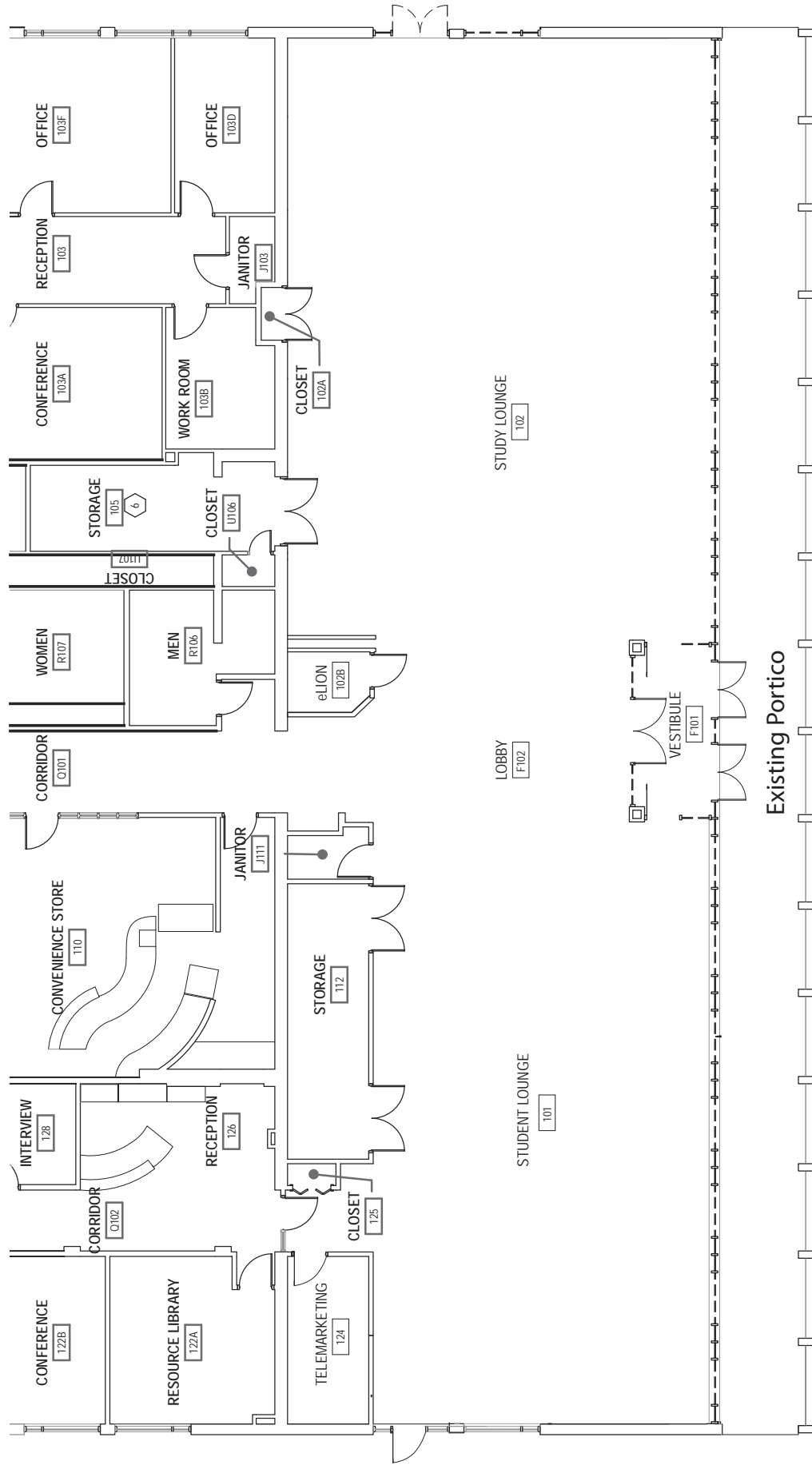


Penn State Altoona



1/20/2012

F&PP



East end of Slep Student Center - EXISTING

Penn State Altoona

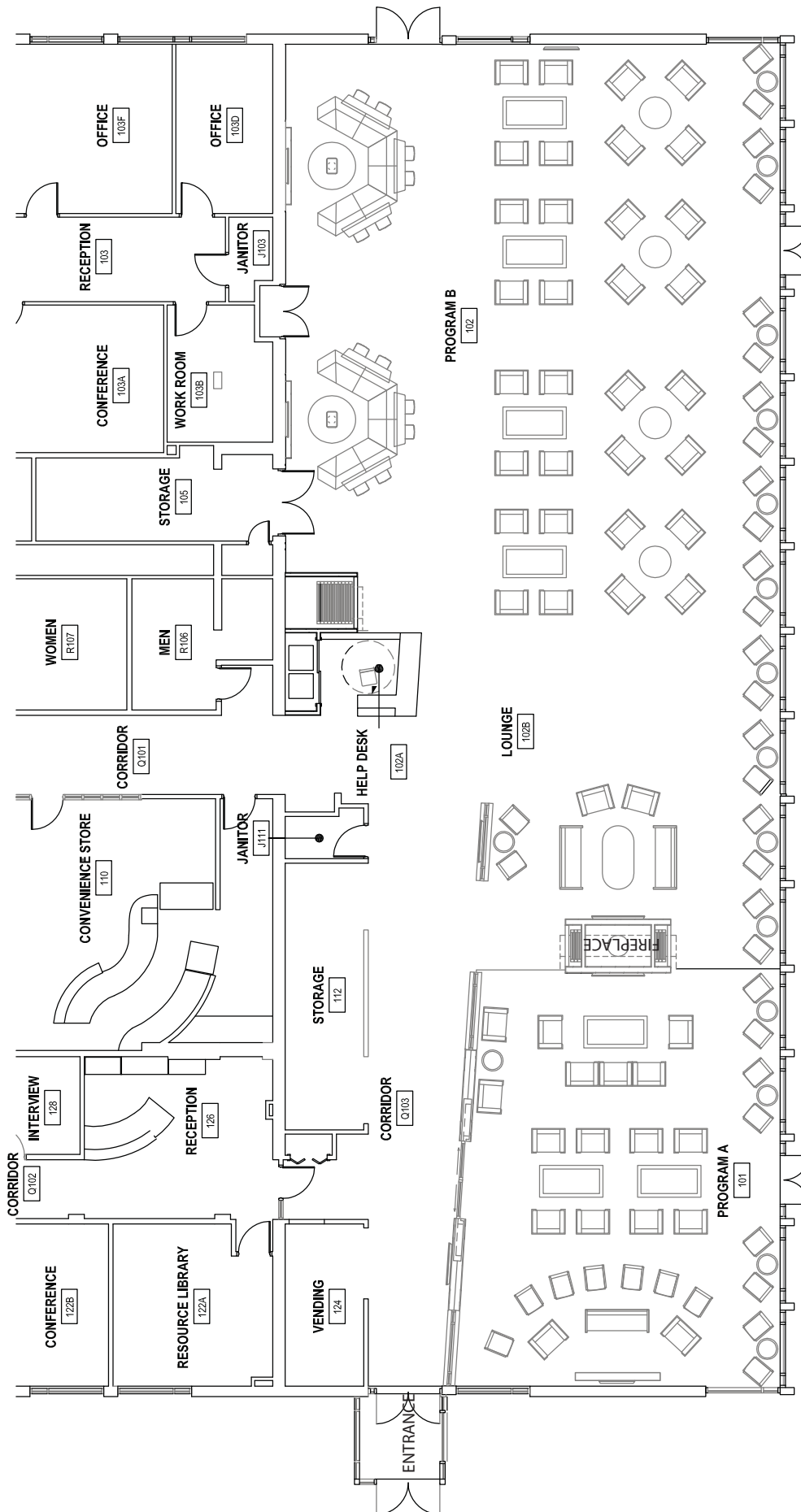
1/20/2012

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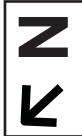
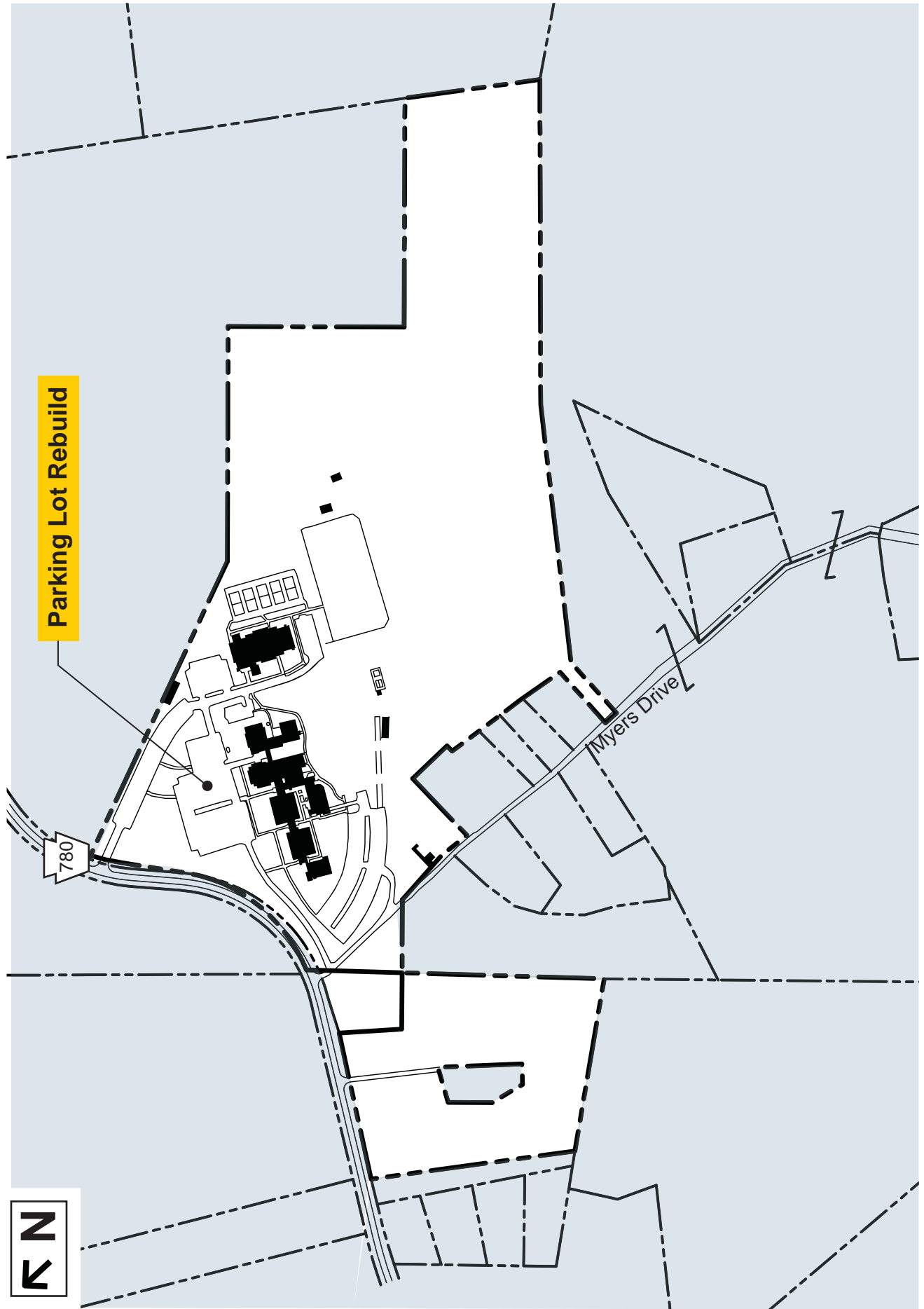
Existing Portico on east end of Slep Student Center

Penn State Altoona

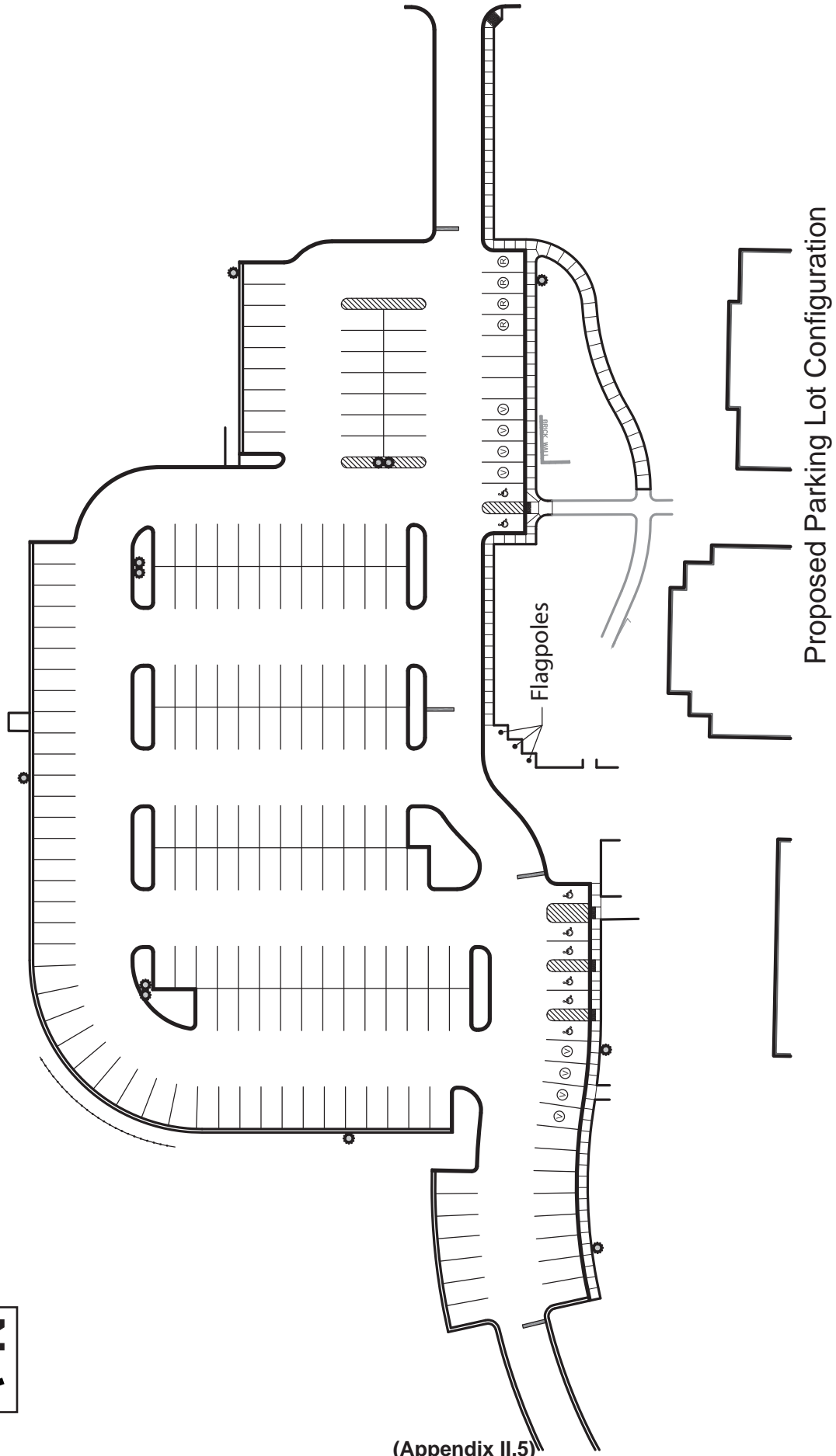


East end of Slep Student Center - PROPOSED

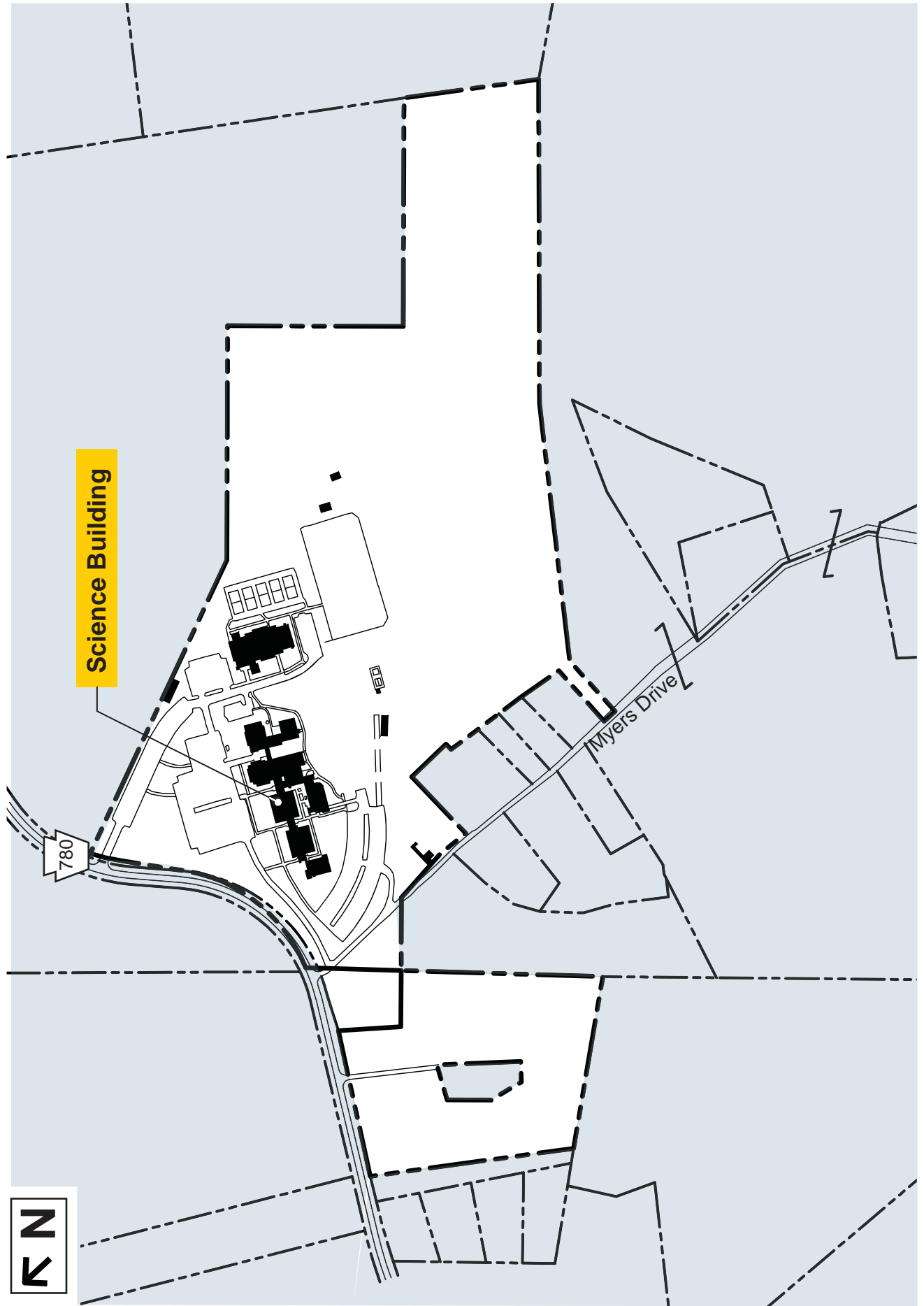
Penn State New Kensington



Penn State New Kensington



Penn State New Kensington



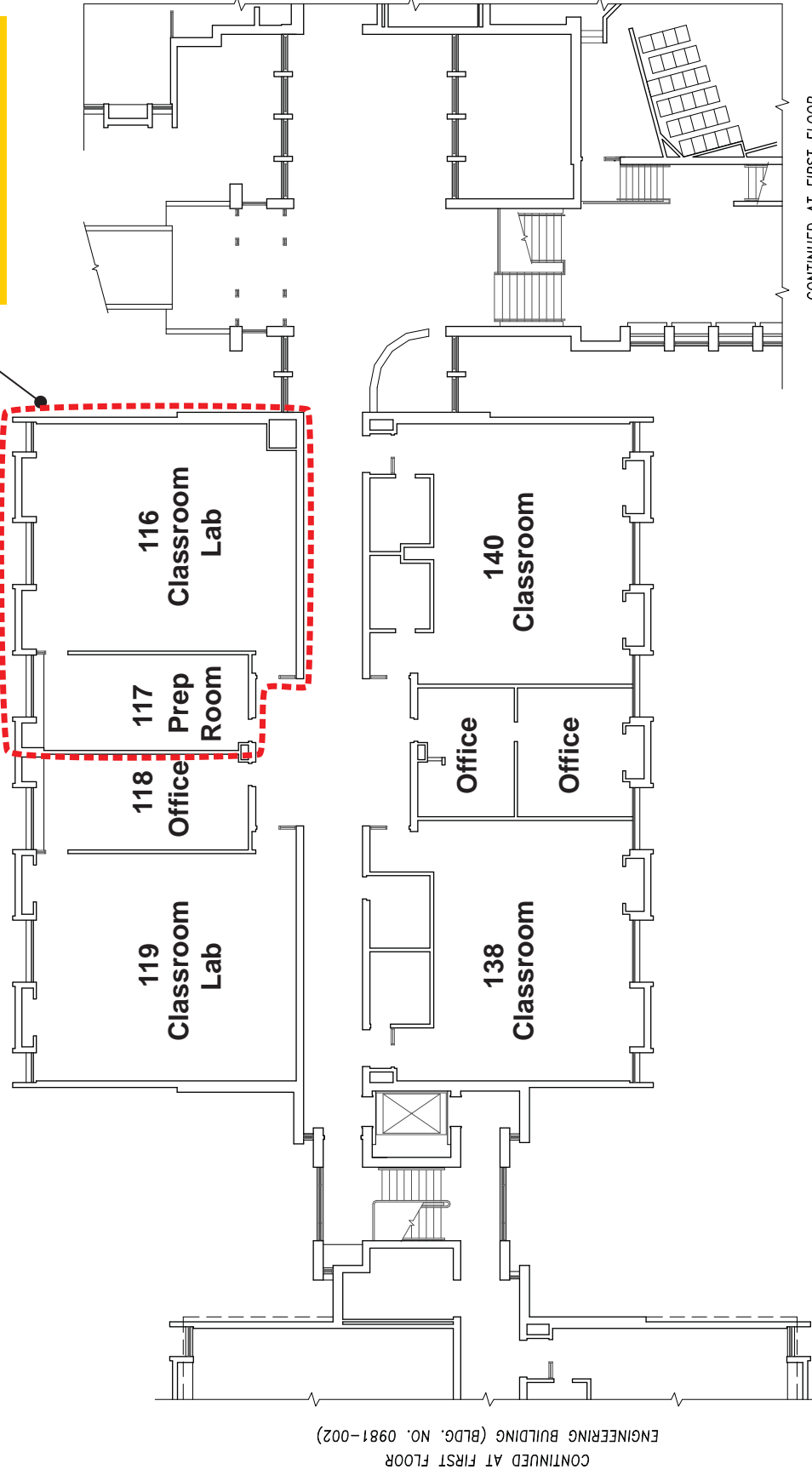
Penn State New Kensington



1/20/2012

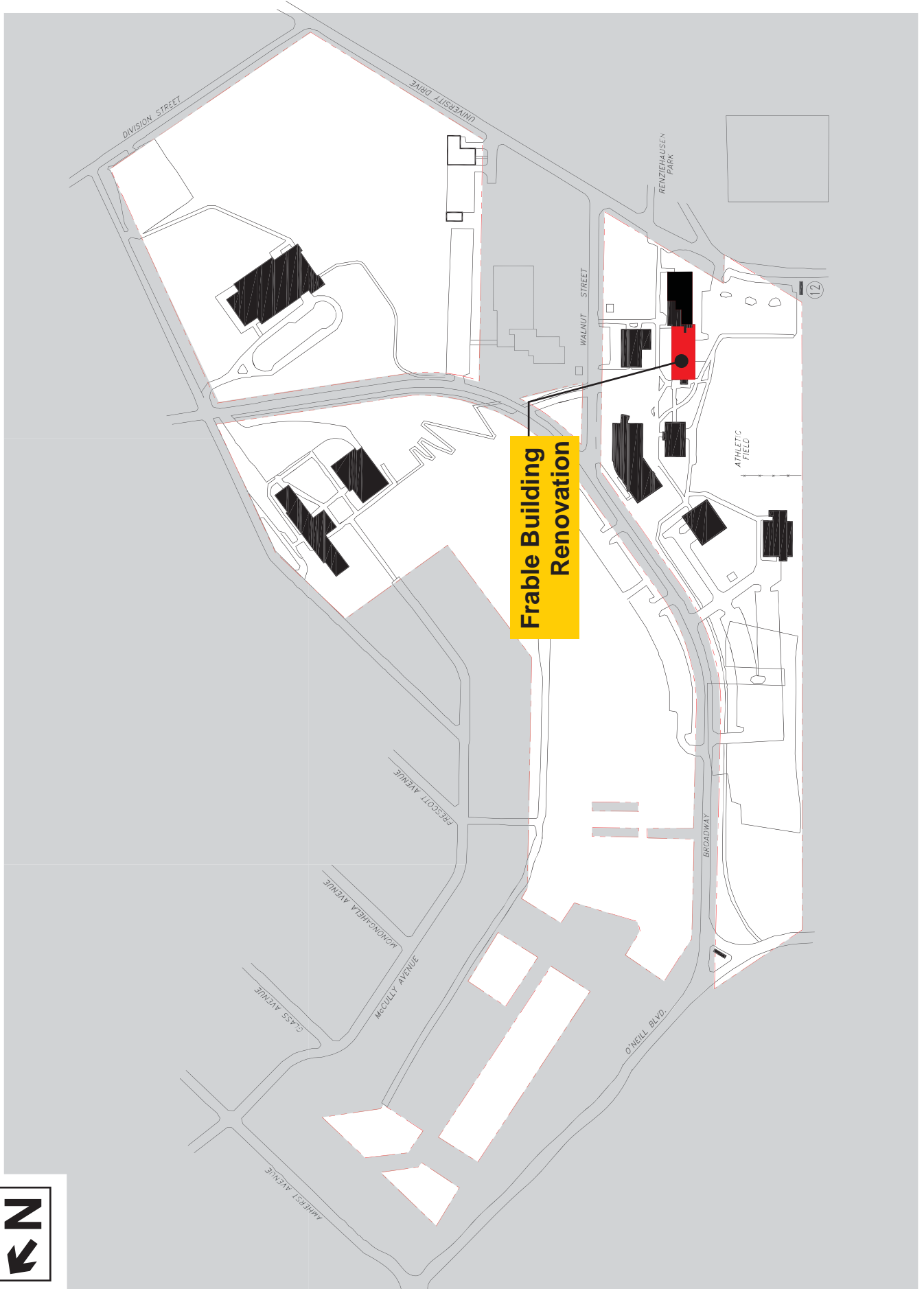
F&PP

Limit of
Renovation Work



Science Building First Floor

Penn State Greater Allegheny

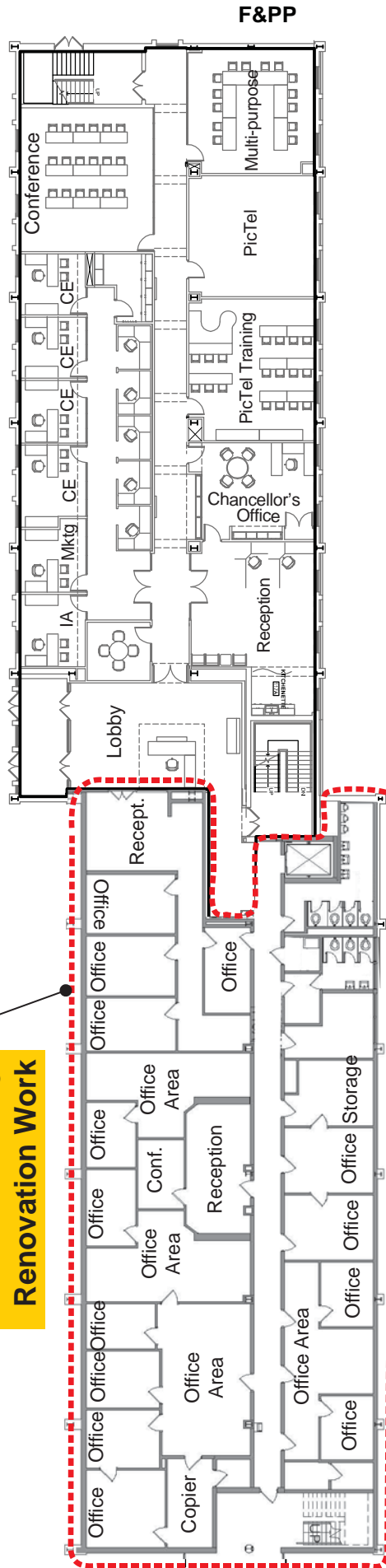


Penn State Greater Allegheny



1/20/2012

Limit of
Renovation Work



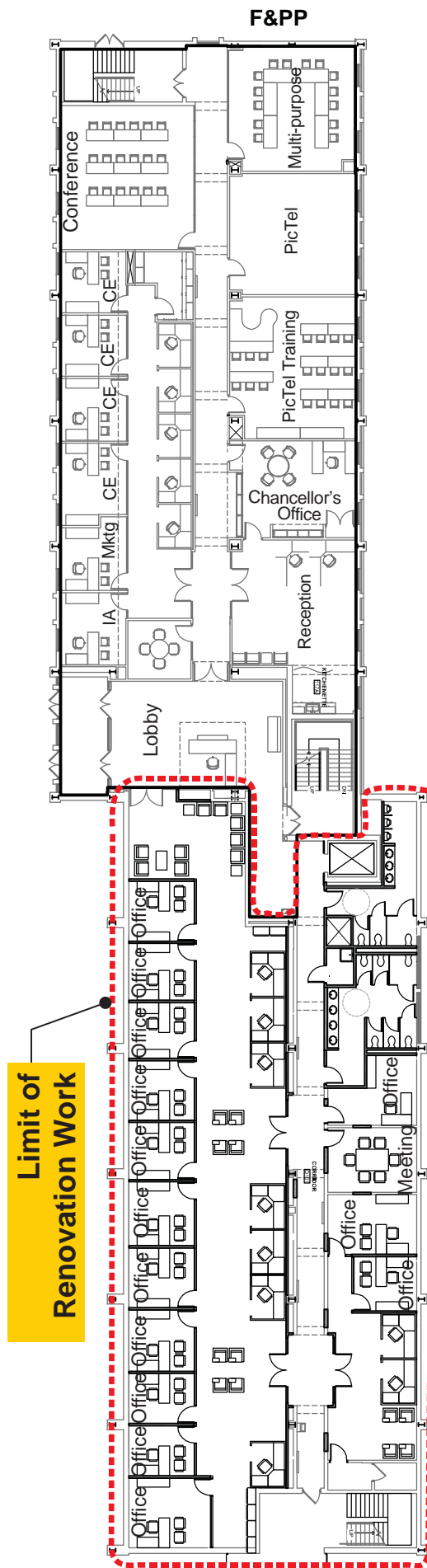
(Appendix II.7)

Frable Building First Floor - EXISTING

Penn State Greater Allegheny



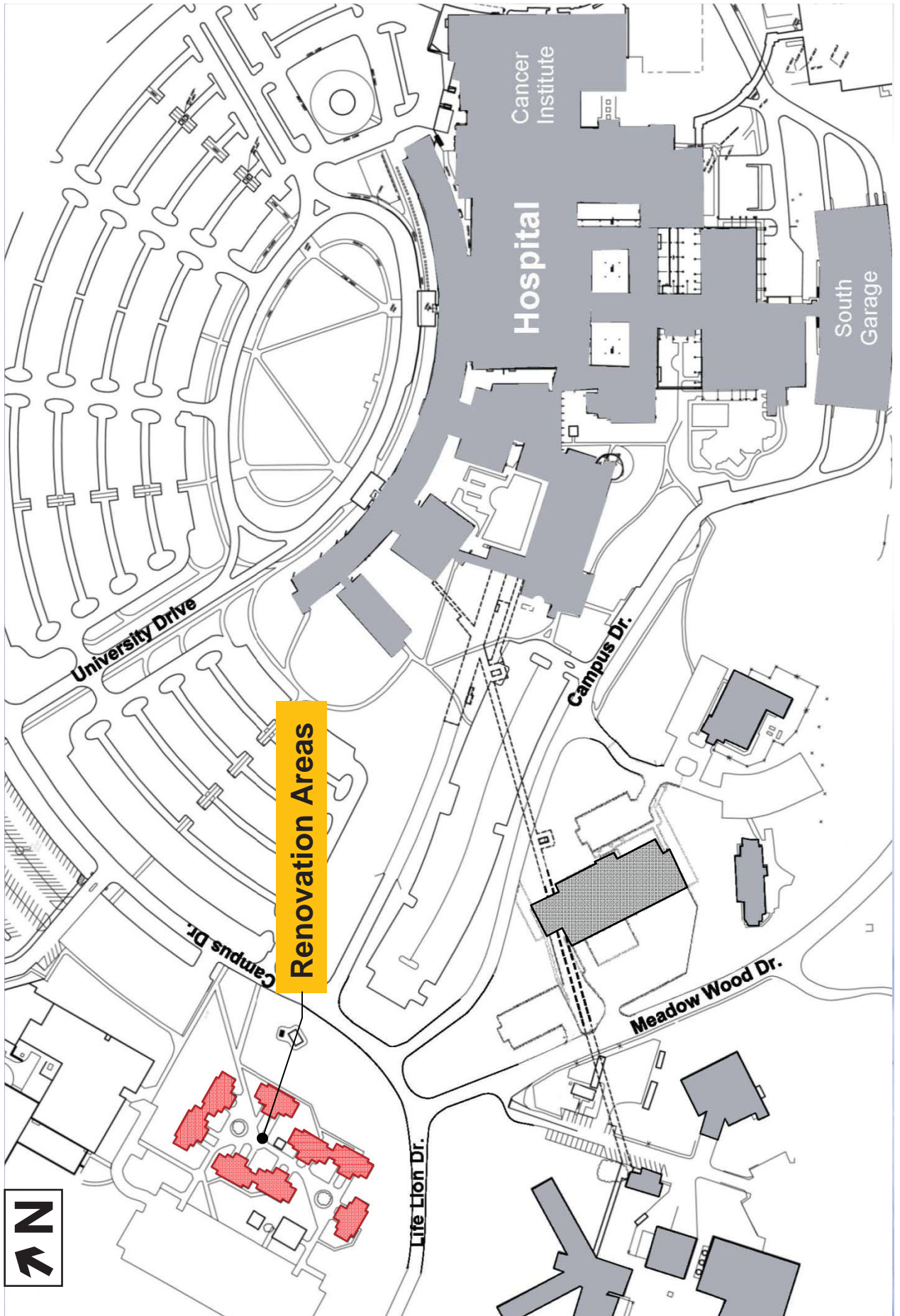
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Frable Building First Floor - PROPOSED

(Appendix II.7)

The Milton S. Hershey Medical Center



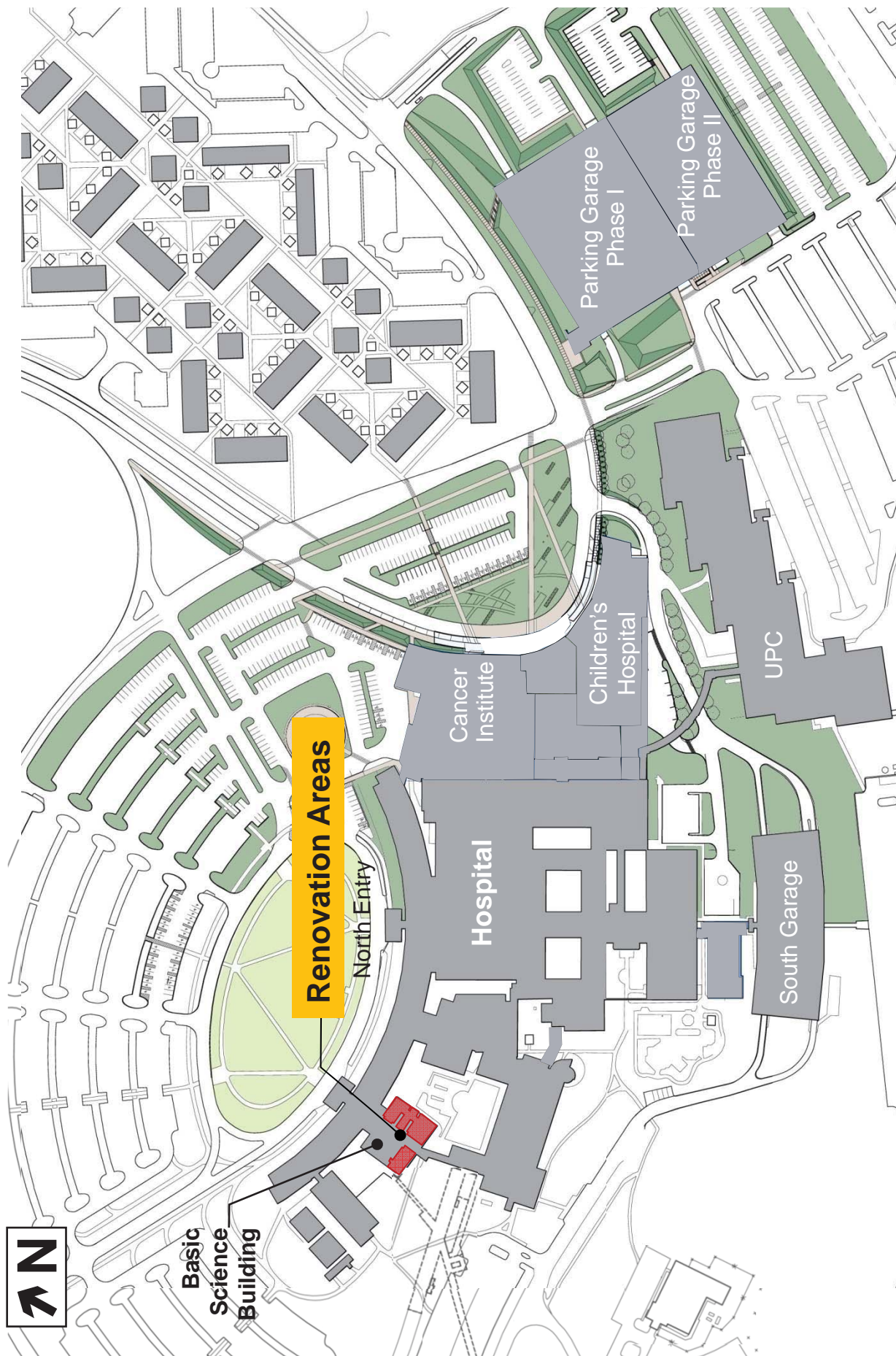
The Milton S. Hershey Medical Center

1/20/2012

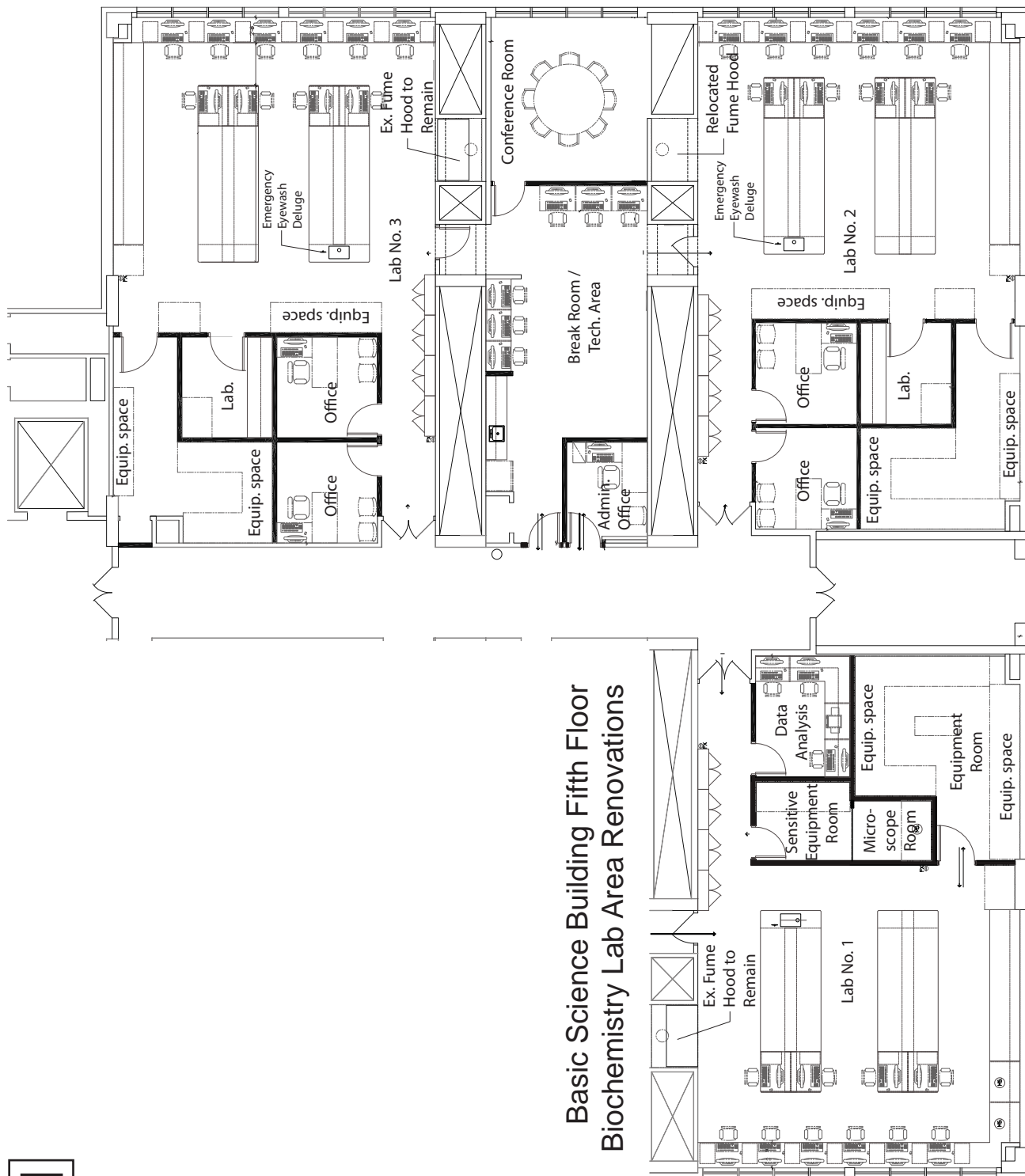
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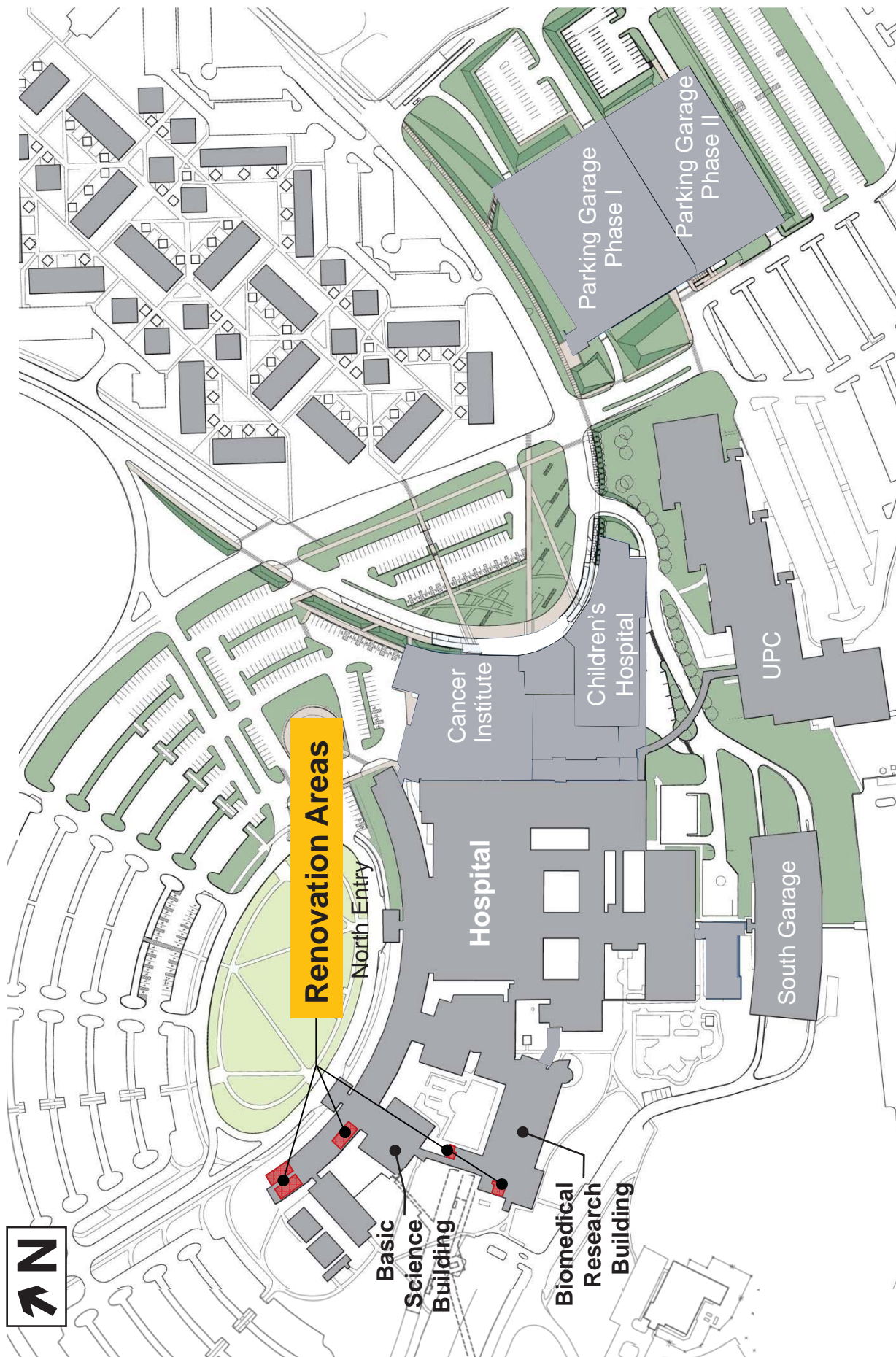
The Milton S. Hershey Medical Center



The Milton S. Hershey Medical Center



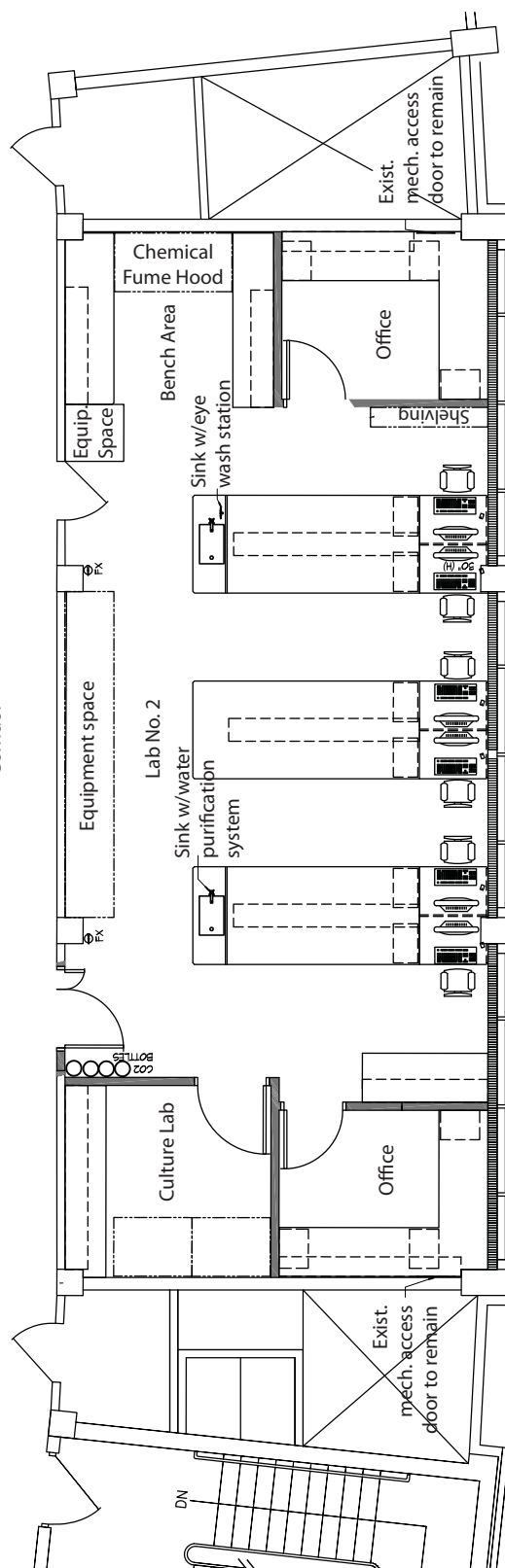
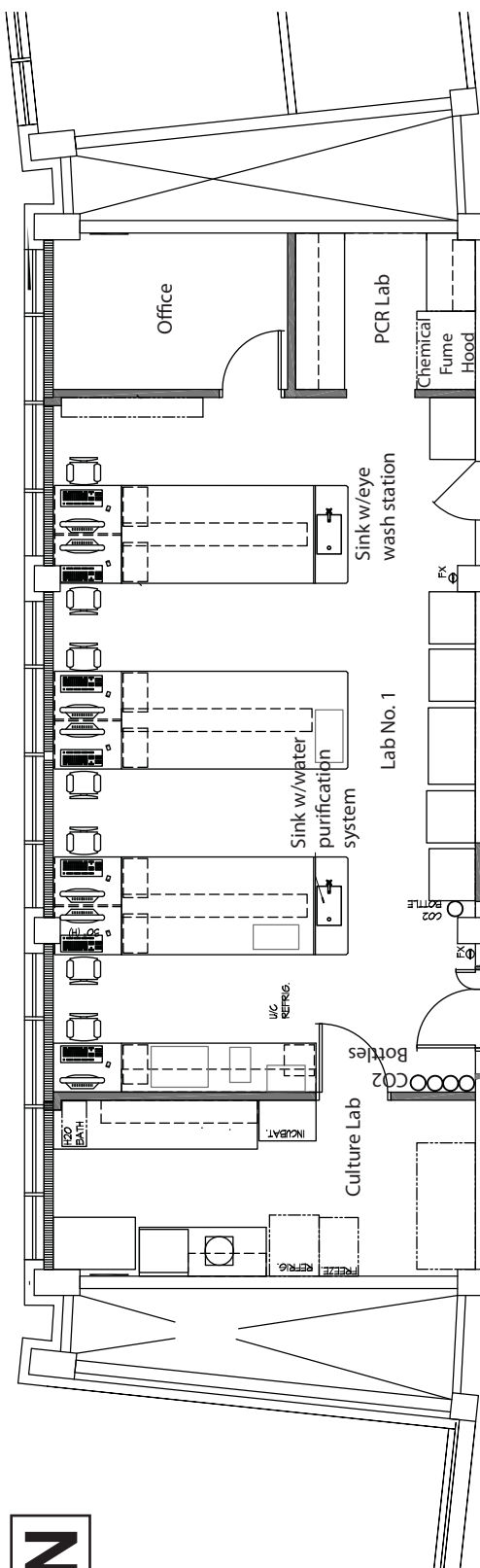
The Milton S. Hershey Medical Center



The Milton S. Hershey Medical Center

1/20/2012

F&PP



Basic Science Building Sixth Floor
Microbiology and Immunology Lab
Area Renovations - Phase I

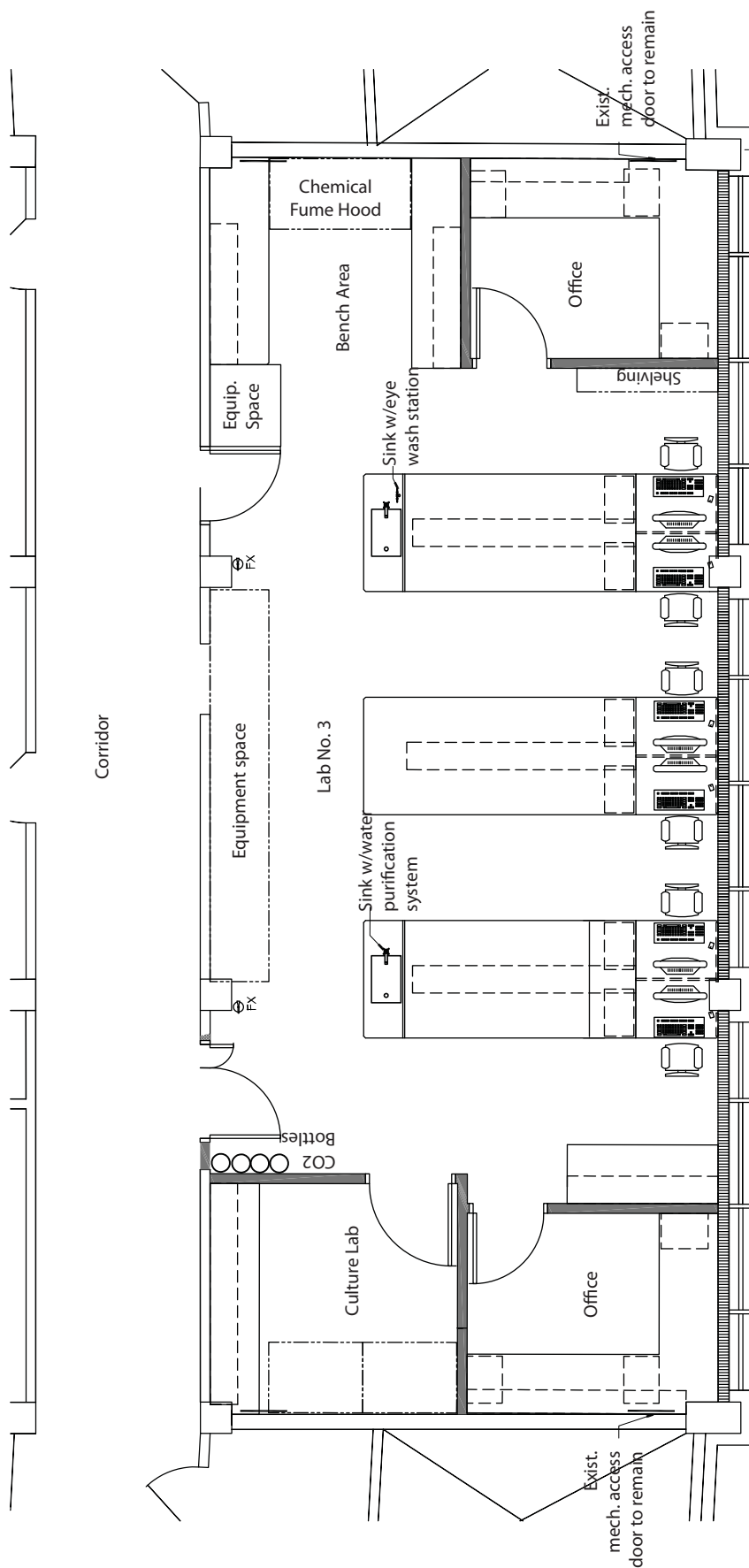
* Office and conference room renovations in the Biomedical Research Building are finish work only (paint, carpet, etc).

The Milton S. Hershey Medical Center



1/20/2012

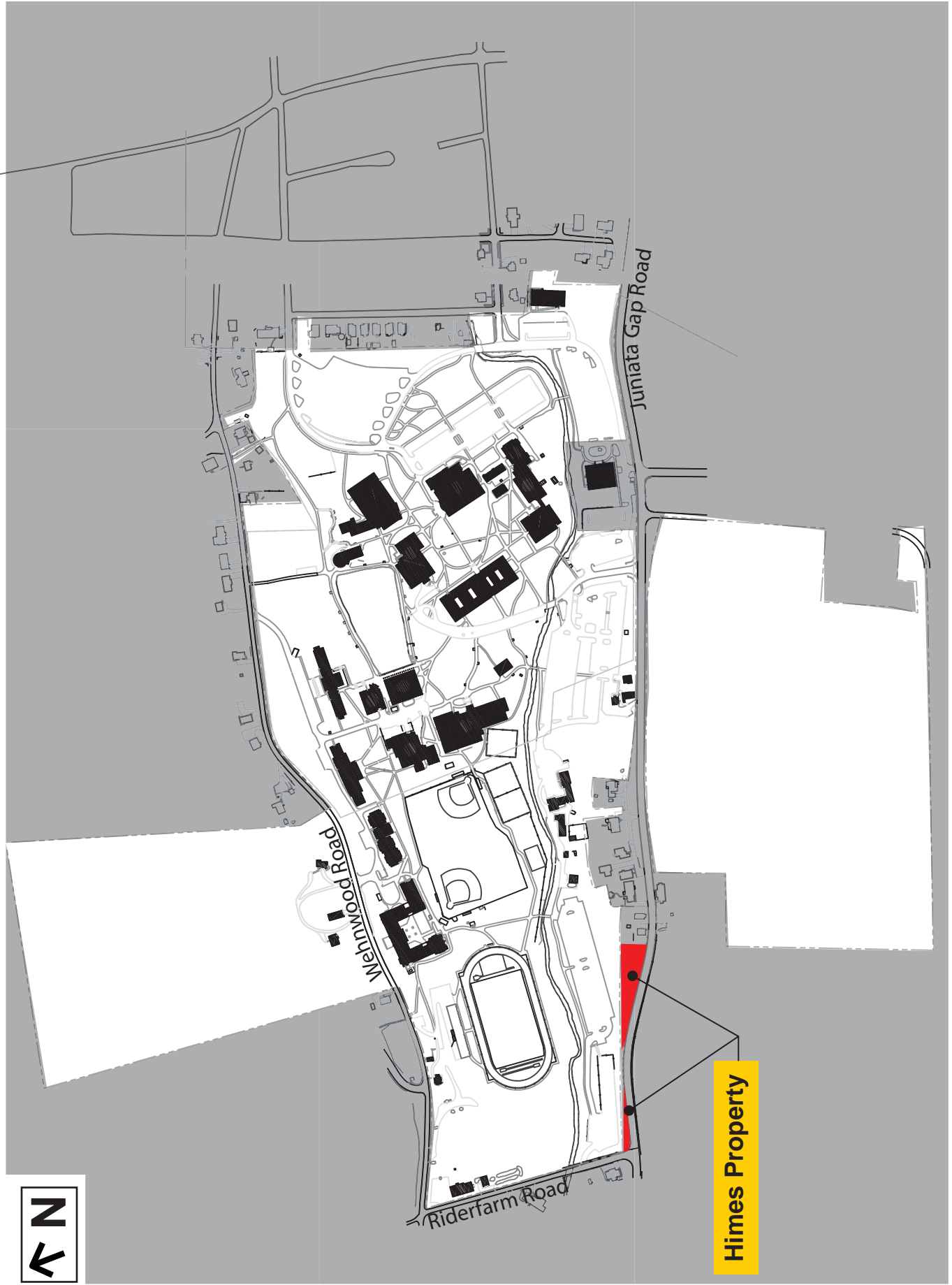
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Basic Science Building Sixth Floor Microbiology and Immunology Lab Area Renovations - Phase II

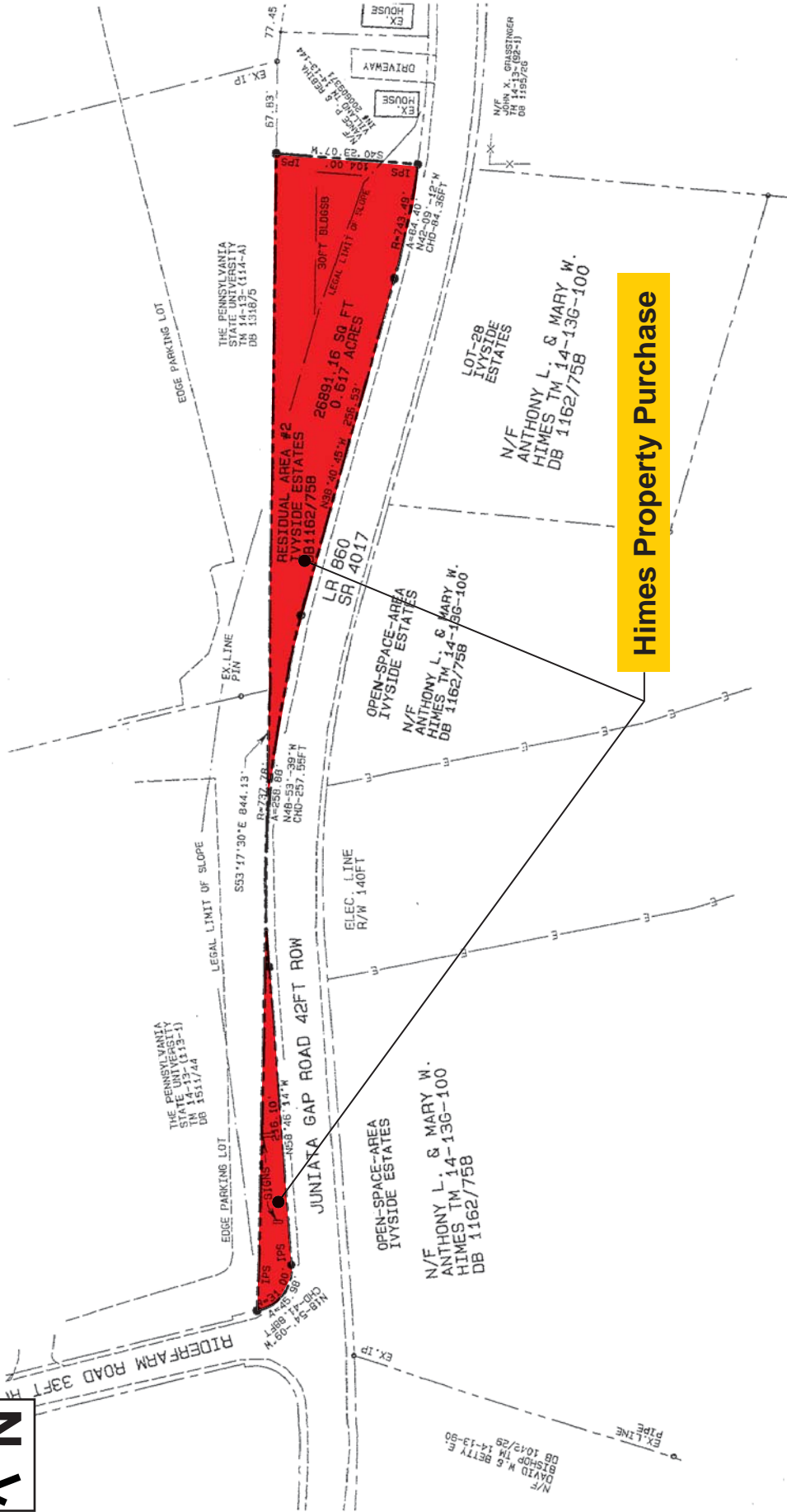
* Office and conference room renovations in the Biomedical Research Building are finish work only (paint, carpet, etc).

Penn State Altoona



Himes Property

Penn State Altoona



Penn State Altoona

1/20/2012

F&PP



View of property from Riderfarm Road

STATUS OF MAJOR CONSTRUCTION PROGRAMS AND BORROWING (> \$5 Million)
December 31, 2011

Campus	Project Data		Commonwealth Funding	Gift Amount	BOT Milestones		Construction		Notes
	Project Name	Budget Amount			Arch/Eng Selection	Final Plan Approval	Start Date	Completion Date	
Altoona	Renovations to PSU Altoona Housing & Foods Building	\$5,400,000	\$0	\$0	N/A	3/11	03/12	08/12	Bids received and being reviewed.
	Children's Hospital	\$206,500,000	\$14,000,000	\$65,000,000	11/05	11/09	03/10	10/12	Construction is approximately 60% complete.
	Education Activity Building	\$17,500,000	\$0	TBD	11/11	09/12	TBD	TBD	Project in design.
Harrisburg	GPIC Hub, Building 681 Retrofitt, Philadelphia Navy Yard	\$39,000,000	\$30,000,000	\$0	09/11	11/12	12/12	12/13	Project in design.
	Beaver Stadium Scoreboard Upgrades	\$12,700,000	\$0	\$0	07/11	TBD	TBD	TBD	Postponed for one (1) year.
Philadelphia	BioBehavioral Health Building	\$48,100,000	\$40,000,000	\$0	01/08	07/10	12/10	10/12	Construction is approximately 45% complete.
	Eva J. Pell Laboratory for Advanced Biological Research	\$23,000,000	\$0	\$0	11/07	11/10	09/11	12/12	Construction is approximately 12% complete.
University Park	CEDAR Building Renovations	\$9,500,000	\$7,140,000	\$0	03/11	01/12	02/12	12/12	Bids received and being reviewed.
	East Campus Steam Line	\$13,500,000	\$11,000,000	\$0	N/A	03/11	06/11	08/12	Construction is approximately 25% complete.
	Environmental Improvements BFP Installations	\$10,500,000	\$7,000,000	\$0	N/A	N/A	06/08	08/14	Project program is approximately 60% complete.
	Essential Services Program	\$11,950,000	\$3,000,000	\$0	N/A	N/A	12/05	12/14	Project program is approximately 68% complete.
	Henderson South (Phase II)	\$56,500,000	TBD	\$0	01/08	11/12	TBD	TBD	Project beginning design.
	HUB Addition	\$29,000,000	\$0	\$0	03/11	09/12	TBD	TBD	Project in design.
	Old Main Renovation	\$6,800,000	\$0	\$1,500,000	09/11	11/12	01/13	10/15	Project to begin design.
	Pegula Ice Arena	\$89,000,000	\$0	\$89,000,000	11/10	01/12	01/12	09/13	Majority of bids received and being reviewed.
	IM Building Addition	\$24,000,000	\$0	\$0	01/11	09/12	TBD	TBD	Project in design.
	McCoy Natatorium and Indoor Tennis	\$65,000,000	\$0	\$10,000,000	11/11	TBD	TBD	TBD	Project in design.
	Moore Building Addition	\$26,100,000	\$23,190,000	\$1,800,000	07/08	05/10	06/10	12/11	Construction is approximately 98% complete.
	Moore Building Renovation	\$21,900,000	\$18,900,000	\$1,200,000	07/08	01/12	02/12	08/13	Bids received and being reviewed.
	South Frear Third Floor Renovations	\$6,110,000	\$2,460,000	\$0	N/A	03/11	05/11	01/13	Construction is approximately 25% complete.
	South Halls Renovations and New Building	\$88,000,000	\$0	\$0	3/11, 11/11	03/12	05/12	6/13, Ph. 1	Project in design. Bidding in progress for initial phase.
	Steam Production Modifications	\$35,000,000	\$0	\$0	01/11	07/12	TBD	TBD	Project in design.
	Transformer Replacement Program	\$9,600,000	\$1,000,000	\$0	N/A	N/A	06/07	12/13	Project program is approximately 60% complete.
	Water Treatment Plant	\$30,000,000	\$25,000,000	\$0	01/11	07/12	07/12	07/13	Project in design.
	West Campus Chilled Water	\$11,900,000	\$6,500,000	\$0	N/A	03/11	05/11	03/12	Construction is approximately 50% complete.
	West Pattee Library Renovations	\$7,000,000	\$0	\$7,000,000	N/A	03/11	05/11	03/12	Construction is approximately 70% complete.

Summary of University Long-Term Debt - \$(000) (excluding PCT)

Total Bonds, Notes and Capital Leases as of June 30, 2011	\$1,044,193
Bonds, Notes, and Capital Leases Issued Year to Date Fiscal Year 2011/12	1,200
Year to Date Principal Payments and Premium Amortizations	(\$26,646) *
Total Bonds, Notes and Capital Leases as of December 31, 2011	\$1,018,745
* Related Interest Expense Totals Approximately	\$18,386

Authorized Borrowing Status - \$(000) (excluding PCT)

Borrowing Authority per May 2007 Board of Trustees	\$600,000
Capital Leases, Bonds, & Notes Issued	(\$313,548)
Future Capitalized Leases & Other Anticipated Commitments	(\$4,950)
Estimated Authority Remaining	\$281,472

2012–2013

REVISED BUDGET PROPOSAL ***The Pennsylvania State University***

Housing and Food Services

- Housing Capacities
- Academic Year Occupancy Percentages
- Comparison Room and Board Rates
Academic Year 2011–2012

Budget Proposal

- 2012–2013 Budget Planning Factors
- 2012–2013 Expense Increases
- Double Room and Meal Plan 3 Rate
2007–2012
- Proposed Room and Board Rates
2012–2013

Housing Capacities for Fall 2012

	Undergraduate Halls	Single Student Apts.	Subtotal	University Apts.	Total
University Park	13,297	300	13,597	124	13,721
Altoona	900		900		900
Beaver	208		208		208
Berks	804		804		804
Erie	1,354	288	1,642		1,642
Greater Allegheny	209		209		209
Harrisburg		427	427		427
Hazleton	456		456		456
Mont Alto	438		438		438
TOTAL	17,666	1,015	18,681	124	18,805

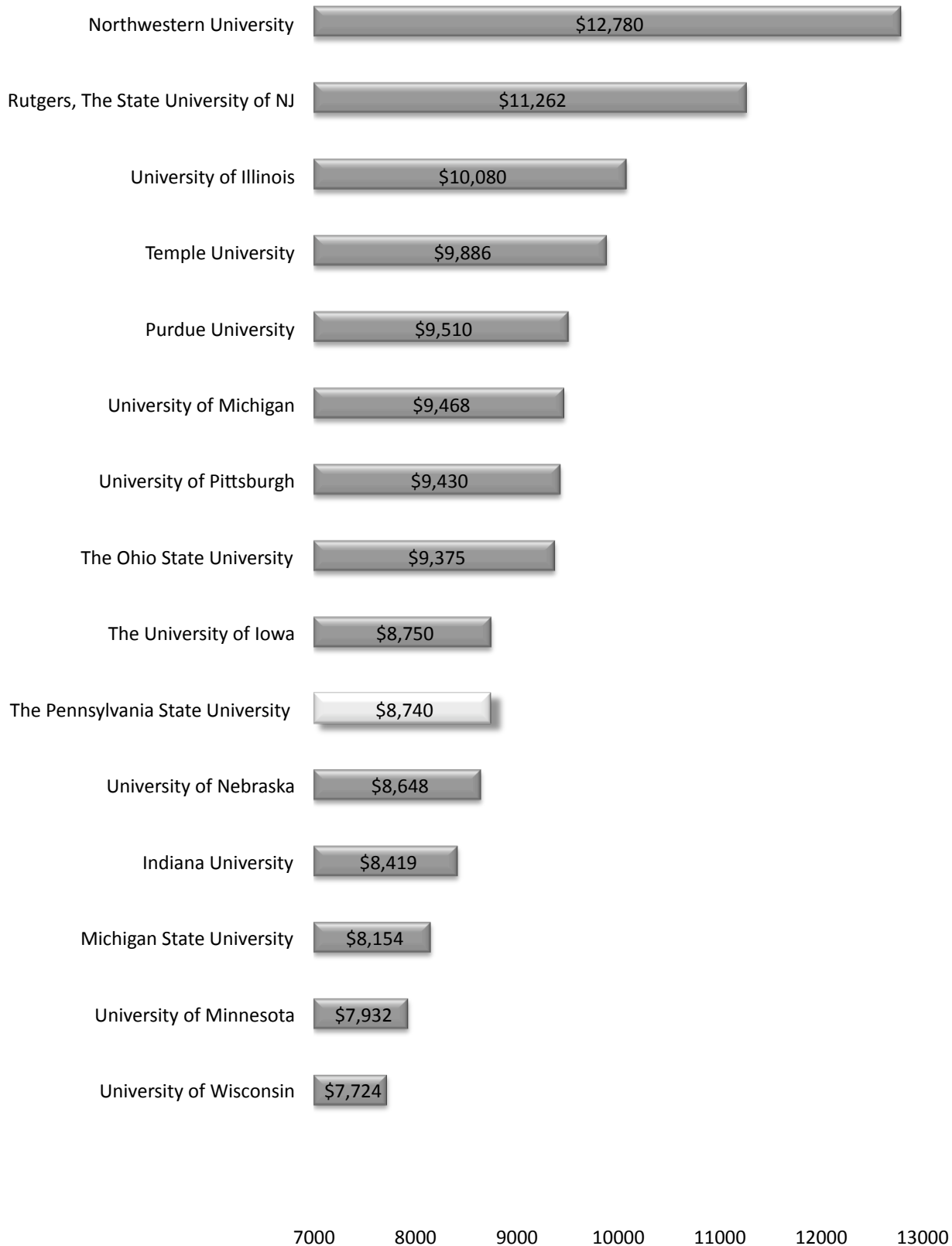
Academic Year Occupancy Percentages

	07-08	08-09	09-10	10-11	11-12 <i>est.</i>
University Park					
Single Student Housing	101.2	102.7	103.3	103.0	102.0
Apartments	96.5	96.8	97.4	95.2	96.0
Altoona	99.6	97.8	98.8	98.7	99.0
Beaver	95.1	93.9	80.8	82.0	85.0
Berks	98.3	98.9	99.6	99.2	99.0
Erie	101.5	101.9	100.3	99.7	100.0
Greater Allegheny	92.4	96.2	95.1	93.7	92.0
Harrisburg	99.0	99.3	99.2	98.9	99.0
Hazleton	102.0	102.5	101.8	100.5	100.0
Mont Alto	99.6	98.2	95.3	95.0	93.0

Comparison Room and Board Rates

Academic Year 2011-2012

Double Room and Board



Budget Planning Factors for 2012-2013

Housing and Food Services is a self-supporting Auxiliary Enterprise. As such, monies paid by students and guests for food and lodging are the only funds available to pay all operating expenses, building loans, and interest payments as well as costs for major maintenance and facility renewal. State funds are not used for construction, maintenance of facilities, or the operations of the housing and dining program.

The 2012-2013 room and board rate proposal takes into account changes in annual operating expenses as well as the costs associated with the overall maintenance and upkeep of the facilities. As noted in previous rate increase requests, the need to address the deferred maintenance of our aging buildings and the modernization of facilities remains a high priority for the program.

Recently completed renovation projects include the conversion of Simmons dining commons to residential space, and the refurbishing of Pollock dining commons. Both projects were paid from Housing and Food Services reserves without the need to incur debt. In addition, significant upgrades to lighting, wiring, and elevator maintenance were made and continue to be a high priority as we seek to improve energy efficiency and safety.

Projects for 2012-2013 include the renovation of the Port Sky Café at Altoona, phase I of security camera installation in the residence halls, and additional wireless coverage in individual student rooms throughout the residential program.

EXPENSES

Food Costs

Food costs for 2012-2013 are expected to increase by 4.50 percent.

Salaries and Wages

Monies are included for anticipated inflationary increases for staff and technical service employees. Benefit expense reflects a 16 percent increase in employer costs for health care and retirement.

Utilities and Other Operating Expenses

Utility rates are expected to rise by 3.14 percent in the aggregate. Increases are planned for maintenance (4 percent), supplies (3.5 percent), and services (3.25 percent).

Residence Life

The Office of Residence Life is requesting that the counseling fee be increased by 5.32 percent, from \$268.00 to \$282.25 per student per semester. This increase will generate an additional \$389,000 to compensate for increases in operating costs, anticipated salary and employee benefit increases, and room and board for resident assistants at all campuses.

OVERHEAD EXPENSES

Housing and Food Services Administration and Support Services

Administration and support services are provided with an allocation of \$2,073,000.

University Overhead

The budget provides \$6,715,000 for university administrative costs. Housing and Food Services pays a percentage of gross revenue to the University for central support, and this rate is expected to increase from 3.50 percent to 3.75 percent for 2012-2013.

PROPERTY EXPENSES

Debt Service

The annual debt service for 2012-2013 will remain at the current level of \$29,492,000.

Facility Renewal and Deferred Maintenance

Each year aging residence halls and dining commons require more funds for major maintenance that includes roof replacements, elevator repairs, heating, plumbing, electrical repairs, and technology upgrades. We are responsible for approximately 6 million square feet of space in housing and dining areas across the commonwealth and about 80 percent of our buildings are more than 35 years old.

The industry standard for facility renewal applied to our situation would suggest as a guideline that we dedicate approximately \$30 million per year for this expense. The need for the Housing and Food Services budget to fund all maintenance, renovations, and new construction requires a sustained annual commitment to property management. This budget provides \$26,096,000 for facility renewal, deferred maintenance, and emergency reserves for the Housing and Food Services facilities.

INCOME

Meal Plan 3 provides about twelve to thirteen meals per week and most closely approximates the average board plan selected. A student living in a standard double room who selects Meal Plan 3 will pay 2.86 percent more for room and board in 2012-2013. The recommended rate increases for housing, food services and conferences at Penn State University Park and the campuses will generate the required \$5,275,000 in additional income.

2012-2013 Expense Increases

	2011–2012 % of <u>Budget</u>	2012–2013 % of <u>Budget</u>	2011–2012 <u>Budget</u>	2012–2013 <u>Increase</u>	2012–2013 <u>Proposed</u>
Food Costs	14.2%	14.4%	\$25,444,000	\$1,145,000	\$26,589,000
Payroll & Related	24.1%	24.9%	43,154,000	2,818,000	45,972,000
Utilities	10.2%	10.4%	18,293,000	575,000	18,868,000
Other Operating Expenses	15.3%	15.4%	27,369,000	1,065,000	28,434,000
HFS Admin. & Support	1.1%	1.1%	2,013,000	60,000	2,073,000
University Overhead	3.3%	3.6%	5,864,000	851,000	6,715,000
Property	31.8%	30.2%	56,936,000	(1,239,000)	55,697,000
TOTAL EXPENSE	100.0%	100.0%	\$179,073,000	\$5,275,000	\$184,348,000

Double Room and Meal Plan 3 Rate

Year	Semester Rate	Semester Increase	Percent Increase
2007	\$3,590	\$165	4.82%
2008	\$3,835	\$245	6.82%
2009	\$4,085	\$250	6.52%
2010	\$4,185	\$100	2.45%
2011	\$4,370	\$185	4.42%
2012	\$4,495	\$125	2.86%

MONTHLY RENTAL RATE COMPARISON
UNIVERSITY MANOR vs. PRIVATE APARTMENT COMPLEXES

The rental rates that follow are the proposed University Manor rental rates as compared to the current rates for private apartment complexes in the Hershey area. The average private rental rate has been adjusted to include utility expenses where none previously existed in the rental rate. This then provides an “apples-to-apples” rate comparison.

The average difference between the proposed University Manor rates and the current private apartment rates are:

DIFFERENCES BETWEEN UNIVERSITY MANOR AND
PRIVATE APARTMENT RENTAL RATES

	<u>Average Private Rates</u>	<u>University Manor Proposed Rates</u>	<u>Difference</u>
1 Bedroom	\$ 917	\$ 878	(\$ 39)
2 Bedroom	\$1,125	\$1,026	(\$ 99)
3 Bedroom	\$1,334	\$1,146	(\$ 188)

All University Manor Apartments are provided with: air-conditioning, modern kitchen appliances, wall-to-wall carpeting, draperies/mini-blinds, and a fire detection/suppression sprinkler system. All utilities are included in the rent except for Cable TV and long-distance telephone service.

University Manor East (UME):

UME apartments are unfurnished except for washers and dryers and University-provided high-speed Internet service.

University Manor West (UMW):

The thirty-one (31) UMW four-bedroom apartments are completely furnished with a centralized coin-operated laundry facility and University-provided high-speed Internet service.