

**THE PENNSYLVANIA STATE UNIVERSITY
BOARD OF TRUSTEES**

**MINUTES OF MEETING
VOLUME 344**

May 5, 2023

A meeting of the Board of Trustees was held in Room 326 at the Engineering Design and Innovation Building, University Park, PA and via video conference on Friday, May 5, 2023 beginning at 1:00 p.m.

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

Present by invitation were Emeriti Trustees Doran, McCombie and Tribeck; constituent representatives Ajisafe, Duffey, Dufour, Egolf, Lynch, Miller, Romig, Serfass, and Stine; staff members Dale, Guadagnino, Harlow, Harvey, Johnson, Moore, Oziemblosky, Pell, Schwartz, Sitzabee, Smith, Thorndike, and Wilson. Also in attendance by invitation were Kaluza and Kimble.

Chair Schuyler opened the meeting by welcoming the newly appointed Governor's representative to the Board of Trustees, Mr. Evan Myers, Senior Vice President and Chief Operating Officer at AccuWeather. He wished those graduating the best of luck as they embark on the next chapters of their lives. He also thanked all Trustees and Emeriti Trustees participating in commencement ceremonies for marking important milestones in Penn Stater's lives.

Chair Schuyler noted Faculty Senate leadership elections were recently held. Josh Wede, Teaching Professor of Psychology in the College of the Liberal Arts was designated chair-elect, and Michele Lee Duffey, Assistant Teaching Professor and Program Director for the Kinesiology Physical Activity Program, was elected as secretary.

Chair Schuyler mentioned student government leadership elections also took place recently. For the University Park Undergraduate Association, Nora O'Toole will serve as president with Giselle Concepcion assuming the vice presidency. Elise DuFour was elected president of the Commonwealth Campus Student Government Association, with Jacob Levendosky serving as vice president. For the Graduate Professional Student Association, Lawrence Miller will serve as president with Jillian Kerr serving as vice president. And, for the World Campus Student Government Association, Daniel Serfass will serve as president with Olu Ajisafe serving as vice president.

Chair Schuyler recognized Benjy Romig who served as a representative from the Staff Advisory Council, most recently as Immediate Past Chair, and participated on the Committee on Academic Affairs, Research and Student Life. He congratulated Rachel Galloway who will serve as incoming Chair of the University Staff Advisory Council, and Anand Ganjam, incoming president of the Penn State Alumni Association.

Chair Schuyler commended Justin Schwartz who was recently named Penn State's Executive Vice President and Provost. Schwartz had been serving in this role in an interim capacity since August 2022, having previously served as the Harold and Inge Marcus Dean of Penn State's College of Engineering since 2017.

Nick Cedeño, graduating Schreyer Honors College senior, Executive Director of the 2023 Class Gift Campaign, president of the Student Philanthropy Network, Penn State Lion Ambassador, member of Alpha Kappa Psi fraternity, a THON volunteer, and lead planner of the University-Wide Senior Sendoff, presented the Class Gift. Chair Schuyler thanked him for his leadership in the class gift campaign and enabling students experiencing financial and personal hardships to continue their academic careers.

Chair Schuyler recognized the Penn State wrestling team who won their tenth national NCAA championship in the last twelve tournaments under the guidance of Coach Cael Sanderson. The Nittany Lions crowned two individual NCAA champions and had three NCAA runners-up with a total of eight All-Americans. Penn State also won the 2023 Big Ten Championship and capped off a perfect dual meet season with a 17-0 record, winning the 2023 Big Ten regular season title as well.

Chair Schuyler praised the Penn State women's hockey team who won their second regular season title and College Hockey America (CHA) tournament championship, and the program's first NCAA tournament berth. Head coach Jeff Kampersal was named the 2022-23 CHA Coach of Year for the second time in his career as the team finished the year ranked tenth in the country with a program-high twenty-seven wins, which included an eighteen-game unbeaten streak. The team had a total of twenty-six CHA weekly award winners, twelve CHA monthly award winners, and five All-CHA team selections. The Nittany Lions earned CHA Player of the Year and Best Defenseman of the Year honors, while Tessa Janecke captured CHA, USCHO, and HCA Rookie of the Year honors and garnered gold with Team USA at the 2023 IIHF Women's World Championships.

Chair Schuyler noted that the Board met in executive session earlier in the day to discuss various privileged matters and called the meeting to order. He acknowledged the Board received three public comments from current students related to a Nike supplier in Thailand. He stated the university takes seriously any reports of violations in apparel manufacturing or worker rights and has been carefully monitoring the situation as well as engaging in discussions with Nike representatives. He stated Penn State senior leadership also met with Penn State students on this matter. Submitted comments are available on the Board's website.

Thomas Oziemblowsky, Associate Director of the Office of the Board of Trustees, reported all Trustees were present except for Trustees Redding, Pope, and Pegula, constituting a quorum.

Consent Agenda Action Items

Chair Schuyler noted that there was one Consent Agenda Action Items for consideration before the Board. A motion to approve Consent Agenda Action Item A was seconded and approved by the Board.

A. Approval of Minutes from February 17, 2023 Meeting

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 reported that the Committee on Academic Affairs, Research and Student Life met on Tuesday, February 28th 2023 with students from five Commonwealth Campuses, including Allegheny, Berks, DuBois, Hazleton and Shenango. The session was in support of the Committee's goal to hear directly from Commonwealth Campuses students on their experiences and the people, services and programs that have served them well and those that could be improved. The consistent theme of the student's comments was how important individual staff and faculty are in providing support to students at critical moments in their academic journey.

The Committee also met on Thursday, March 16th 2023 and heard from Vice President for Enrollment Management Matt Melvin who provided a review of the University's enrollment priorities and strategic challenges while addressing the critical role the Commonwealth Campuses play in the risk oversight area assigned to AARSL related to enrollment management and the University's ability to meet its land grant mission.

The next meeting of the Committee on Academic Affairs, Research, and Student Life is scheduled for Thursday, June 15th from 11:30 to 12:30 p.m. with an agenda of discussing

strategies for strengthening and expanding the research enterprise at Penn State.

There were no action items presented to the Board.

B. Committee on Audit and Risk

Chair Rakowich reported that a quorum of the Committee on Audit and Risk met on May 4th, 2023, and unanimously approved the February 16th, 2023 meeting minutes. The Committee also reviewed the Roles and Responsibilities matrix confirming that the Committee is on schedule to meet all the required items that the Committee is charged with.

Chair Rakowich noted the Committee received a Risk Management update and review of the ERM guidelines from Vice Chair Brown and Chief Risk Officer Raab. The Committee also considered and unanimously approved a motion to engage Crowe LLP to perform the Nittany Insurance external audit.

Chair Rakowich stated Thorndike reviewed the June 30, 2022 Office of Management and Budget Uniform Guidance Report and introduced new external audit partners from Plant Moran. Heist gave an update on Internal Audit which included discussion of the results of Quality Service Assessments and approval of the Internal Audit Department Charter. Heist also provided an update on ICA Internal Audit procedures. Kraft and Kaluza presented an update on booster club checks and balances and the audit procedures that are in place for these clubs.

The next meeting of the Subcommittee on Risk is scheduled to meet June 7th 2023 from 9:00 to 10:00 a.m.

There were no action items presented to the Board.

C. Committee on Equity and Human Resources

Chair Schneider reported that the Committee on Equity and Human Resources held a joint educational conference session with the Governance and Long-Range Planning Committee on March 16th 2023 to review the current pathways to leadership on the Board of Trustees, Commonwealth Campus Boards and the Boards of Visitors at each College, and current efforts to impact the diversity of candidates for these leadership roles.

Chair Schneider mentioned the Committee met on April 20th 2023 and received an overview and update on the Diversity, Equity, Inclusion and Belonging (DEIB) dashboard from Penn State President Bendapudi and Kennedy-Phillips, Vice Provost for planning, assessment and institutional research. The dashboard was launched in February to support President Bendapudi's goal of enhancing DEIB across Penn State through a metrics-driven strategy focused on improving DEIB-related outcomes, particularly for Penn Staters from underrepresented or historically marginalized groups, in an accountable and demonstrable way.

The next meeting of the Committee on Equity and Human Resources is scheduled for Thursday, June 13th 2023 from 10:00 to 11:00 a.m. with an agenda of an update on the Compensation Modernization Project and a refresh on the University's annual turnover data.

There were no action items presented to the Board.

D. Committee on Finance, Business and Capital Planning

Chair Fenza reported that a quorum of the Committee met on May 4th 2023. The Committee approved the February 16th 2023, *Meeting Minutes*. The committee also received informational reports on the Subcommittee on Finance Operating Guidelines, the Q3 Financial Results and the status of borrowing and remaining debt capacity as detailed in the University's Capital Plan and Borrowing Report.

Chair Fenza stated the Committee considered and approved eleven action items, ten of which

are items 4.d.1 through 4.d.10 on the Board's agenda. The additional action item not on the Board's agenda was the approval of the Committee's Operating Guidelines. For each item requiring a Board vote today, Chair Fenza reported the committee's recommendations for each action item.

Item 4.d.1. The proposed project approval of the Greenberg Indoor Sports Center Training Table Renovation and Addition at University Park. The committee unanimously approved this item.

Item 4.d.2. The proposed project approval for Jeffrey Field Soccer Complex Renovation and Addition at University Park. The committee unanimously approved this item.

Item 4.d.3. The proposed project approval for the Indoor Practice Air Supported Structure at University Park. The committee unanimously approved this item.

Item 4.d.4. The proposed project approval for the East Area Locker Room Renovation at University Park. The committee unanimously approved this item.

Item 4.d.5. The proposed project approval for Lasch Renovation Phase 2. The committee unanimously approved this item.

Item 4.d.6. The proposed project approval for Beaver Stadium Renovation. The committee unanimously approved this item.

Item 4.d.7. The proposed authorization to expend funds for the Hazardous Waste Management Facility, University Park. The committee unanimously approved this item.

Item 4.d.8. The proposed approval of the Five-Year Capital Plan. The committee unanimously approved this item.

Item 4.d.9. The consideration of the Proposed Interim Maintenance and Operating Budget for the University for the Fiscal Year Beginning July 1, 2023. The committee unanimously approved this item.

Item 4.d.10. The Proposed Extension of Remaining Borrowing Authority of the Current Capital Plan. The committee unanimously approved this item.

The next meeting of the Committee on Finance, Business, and Capital Planning is scheduled for June 15th 2023 from 10:00 to 11:00 a.m.

Action Items

4.d.1) Proposed Project Approval, Greenberg Indoor Sports Center Training Table Renovation and Addition, University Park

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 unanimously approved by the Board.

RESOLVED, That the Greenberg Indoor Sports Center Training Table Renovation and Addition at University Park are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds and award contracts for the project are approved for an amount not to exceed \$31,900,000.

4.d.2) Proposed Project Approval, Jeffrey Field Soccer Complex Renovation and Addition, University Park

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 the Jeffrey Field Soccer Complex Renovation and Addition at University Park are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds and award contracts to accomplish the project are approved for an amount not to exceed \$21,250,000.

4.d.3) Proposed Project Approval, Indoor Practice Air Supported Structure, University Park

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 unanimously approved by the Board.

WHEREAS, Article V, Section 5.09(a)(iii)(7) requires the approval of the Board of Trustees for capital projects under \$10 million that are bond-financed; and

WHEREAS, the proposed Indoor Practice Air Supported Structure is to be funded with bond financing.

THEREFORE, BE IT RESOLVED, That authorization to expend funds for the Indoor Practice Air Supported Structure is approved for an amount not to exceed \$9,800,000.

4.d.4) Proposed Project Approval, East Area Locker Room Renovation, University Park

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 unanimously approved by the Board.

WHEREAS, Article V, Section 5.09(a)(iii)(7) requires the approval of the Board of Trustees for capital projects under \$10 million that are bond-financed; and

WHEREAS, the proposed East Area Locker Room Renovation is to be funded with bond financing.

THEREFORE, BE IT RESOLVED, That authorization to expend funds for the East Area Locker Room Renovation is approved for an amount not to exceed \$5,200,000.

4.d.5) Proposed Project Approval, Lasch Renovation Phase 2, University Park

The Committee on Finance, Business and Capital Planning recommended that the Board of Trustees approve resolution 4.d.5. 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 Lasch Renovation Phase 2 at University Park is approved.

FURTHER BE IT RESOLVED, That authorization to expend funds and award contracts to accomplish the project are approved for an amount not to exceed \$22,000,000.

4.d.6) Proposed Authorization to Expend Funds, Beaver Stadium Renovation, University Park

The Committee on Finance, Business and Capital Planning recommended that the Board of Trustees approve resolution 4.d.6. 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 authorization to expend funds and award contracts for the first phase of this project are approved for an amount not to exceed \$70,000,000.

4.d.7) Proposed Project Approval, Hazardous Waste Management Facility, University Park

The Committee on Finance, Business and Capital Planning recommended that the Board of Trustees approve resolution 4.d.7. Sara Thorndike provided supporting remarks and context for this item. A motion to approve the following resolution was seconded and unanimously approved by the Board.

RESOLVED, That the Hazardous Waste Management Facility at University Park, as designed by R3A Architecture, LLC of Pittsburgh, Pennsylvania, is approved.

FURTHER BE IT RESOLVED, That authorization to expend funds and award contracts to accomplish the project are approved in the amount of \$12,525,000.

4.d.8) Proposed Approval – Five-Year Capital Plan

The Committee on Finance, Business and Capital Planning recommended that the Board of Trustees approve resolution 4.d.8. Sara Thorndike provided supporting remarks and context for this item. A motion to approve the following resolution was seconded and unanimously approved by the Board.

WHEREAS, the Board of Trustees (the "Board") of The Pennsylvania State University, a state-related institution and instrumentality of the Commonwealth of Pennsylvania subject to the Pennsylvania nonprofit corporation law (the "University"), at a meeting of the Board held on May 5, 2023, received a presentation from the officers of the University setting forth and describing the proposed five-year capital plan for the University for fiscal year 2023-2024 through fiscal year 2027-2028 in an amount equal to Two Billion One Hundred Eighty Three Million Dollars (\$2,183,000,000) (the "Capital Plan");

WHEREAS, in preparing the proposed Capital Plan, the officers of the University evaluated and considered the capital needs of the University, including the University's plans to make capital expenditures for projects of the University and its subsidiaries and affiliated organizations, to include the acquisition of land, interests in land, buildings, infrastructure, improvements, fixtures, equipment, furnishings, information technology assets, and other capital assets and projects serving the University (a "Project", and collectively, the "Projects");

WHEREAS, the Board recognizes that it may be in the financial interests of the University to pay for depreciable assets over a period which does not exceed

the useful lives of such depreciable assets or such longer period as is permitted by applicable federal tax law;

WHEREAS, the Board further recognizes that, depending on the stage of development of the Projects, it may be also in the financial interests of the University to incur obligations for the payment of the cost of the Projects at one time or in part from time to time;

WHEREAS, the Board further recognizes that the specific timing of the borrowings of the University in light of trends in the financial markets can make a significant difference to the University and its constituents in the cost of borrowing for capital projects;

WHEREAS, the Board recognizes it may also be advantageous to refund or otherwise refinance certain outstanding obligations of the University from time to time or, prior to, concurrently with or subsequent to the issuance of obligations of the University, to enter into agreements relating to bond insurance, letters of credit or other credit or liquidity facilities (collectively, "Credit Enhancement Agreements") or agreements relating to interest rate swaps or other forms of interest rate hedge or similar agreements associated with such obligations (collectively, "Hedge Agreements") and such decisions may be more effectively made by the officers of the University;

WHEREAS, the University may from time to time issue its obligations directly or indirectly through other qualified governmental entities, and rate subsidies or other benefits may be available if the University's obligations are issued through certain Commonwealth of Pennsylvania public authorities and the proceeds of such obligations are loaned by the issuing public authorities to the University;

WHEREAS, the Board acknowledges that the form of the obligations and borrowings of the University, including decisions as to price, timing, interest rates, terms, serialization, and tax exempt or taxable status of the borrowings of the University, may be more effectively made from time to time by the officers of the University, and as such, the Board now desires to authorize and approve the Capital Plan, and to further authorize the officers of the University to take the following actions with respect to obligations and borrowings to be incurred by the University.

I. Approval of the Capital Plan

NOW THEREFORE, BE IT RESOLVED, that the Capital Plan, in the form presented to the Board by the officers of the University at this meeting, be, and hereby is, approved and declared advisable and in the best interest of the University; and

FURTHER BE IT RESOLVED, that the President, the Senior Vice President for Finance & Business/Treasurer, and the Associate Vice President for Budget and Finance of the University (each, an "Authorized Officer," and collectively, the "Authorized Officers"), be, and each of them individually hereby is, authorized to cause the University to borrow, through the issuance of bonds, notes, leases, installment sale agreements or other forms of debt obligations, including as part of a line of credit and other credit facility, in one or more series of sub-series, fixed rate or variable rate, taxable or tax-exempt, secured or unsecured, senior or subordinate, in a single issuance or from time to time, in an aggregate principal amount not to exceed One Billion Four Hundred Million Dollars (\$1,400,000,000) (collectively, the "Obligations"), with such Obligations to be issued and sold at such price in a competitive, negotiated or invited sale and to be of such tenor and otherwise to contain or have the benefit of such terms and

provisions, including, without limitation, provisions for redemption or mandatory or optional tender for purchase, maturity, collateral security, covenants, representations and warranties and events of default, as the Authorized Officers shall deem to be necessary or appropriate for the University; and

FURTHER BE IT RESOLVED, that the Authorized Officers be, and each of them with full authority to act without others hereby is, authorized and directed to execute, deliver and perform, in the name and on behalf of the University, any agreements, contracts, instruments, consents, amendments, supplements, applications, filings, reports, certificates, and other documents of every nature and description, which are determined by any such Authorized Officer to be necessary or appropriate to accomplish the matters described and set forth in the Capital Plan, or in connection with the issuance of the Obligations, and/or to otherwise carry out the resolutions set forth herein, including, without limitation, any and all promissory notes, drafts, guaranties, subordination agreements, assignments, applications, letters of credit, loan agreements, security agreements, financial statements, trust indentures, mortgages, deeds of trust, security agreements, pledge agreements, bonds, bond purchase agreements, letters of credit reimbursement agreements, issuing and paying agency agreements, dealer agreements, refunding escrow agreements, leases, installment sale agreements, interest rate management agreements, investment contracts, tax compliance agreements, and securities prospectuses, offering memorandums or other similar securities offering and disclosure documents; and

FURTHER BE IT RESOLVED, that the Authorized Officers be, and each of them with full authority to act without others hereby is, authorized and directed to cause the Obligations to be issued directly by the University, or as the Authorized Officers may deem appropriate, by and through any appropriate public authorities of the Commonwealth of Pennsylvania having jurisdiction, including, without limitation, The Pennsylvania Higher Education Authority and the Centre County Higher Education Authority, with the proceeds of such indebtedness of such public authorities being loaned to the University, as the case may be; and

FURTHER BE IT RESOLVED, that the Authorized Officers be, and each of them with full authority to act without others hereby is, authorized to refund or otherwise refinance the Obligations and other outstanding indebtedness of the University from time to time and, prior to, concurrently with or subsequent to the issuance of indebtedness of the University, to execute any agreements (including any amendments or supplements thereto or thereof), contracts, instruments, consents, applications, filings, reports, certificates and other documents, of every nature and description, which are required in connection with any Credit Enhancement Agreements or Hedge Agreements, all on such terms and conditions as such Authorized Officer of the University shall deem necessary or appropriate; and

FURTHER BE IT RESOLVED, that it is hereby declared to be the official intent of the University, as referred to in Section 1.150-2 of the Treasury Regulations promulgated under the Internal Revenue Code of 1986, as amended ("Code"), that the University be reimbursed from the proceeds of the Obligations authorized hereby in a maximum principal amount of One Billion Four Hundred Million Dollars (\$1,400,000,000) for expenditures for or in respect of the Projects initially paid from other available funds of the University on or after the date which is sixty (60) days prior to the effective date of these resolutions (except for certain expenditures which are not subject to such time limitation), provided that the issuance of the Obligations providing such reimbursement in any particular case occurs not later than eighteen (18) months after the latest of (i) the date on which the earliest expenditure subject to U.S. Treasury Regulation §1.150-2 is paid, (ii) the date on which the particular Project is placed in service or abandoned, but in no event more than three years after the earliest expenditure is paid, or (iii) the

date otherwise permitted by the Code or U.S. Treasury Regulations promulgated thereunder and, in implementation hereof, the Authorized Officers of the University may approve specific capital expenditures to be reimbursed from the proceeds of Obligations later to be issued,

and the funds from which such capital expenditures shall be paid, as required by the said Treasury Regulations; and

FURTHER BE IT RESOLVED, that the borrowings of the University authorized pursuant to these resolutions shall be limited to Projects approved by the Board prior to June 30, 2028; and

FURTHER BE IT RESOLVED, that the incurrence of any indebtedness by the University that may be hereinafter approved or authorized by this Board in connection with the refunding or refinancing of any indebtedness of the University existing as of the date hereof shall not be limited in principal amount by the application of these resolutions, and shall not be taken into account when calculating the maximum amount of the Obligations authorized and approved by these resolutions.

II. General

FURTHER BE IT RESOLVED, that the Authorized Officers be, and each of them with full authority to act without others hereby is, authorized and directed, in the name and on behalf of the University, to prepare, negotiate, execute, file, deliver, and perform such other agreements, letters, consents, instruments, amendments, documents, applications, filings, reports and certificates, and take any and all such other actions as the Authorized Officers may deem necessary, advisable or appropriate to consummate and effectuate the transactions contemplated herein, or to carry out the full intent and purposes of the foregoing resolutions, the negotiation, preparation, execution, delivery, or performance thereof by the Authorized Officers to be conclusive evidence of the approval thereof by the University;

FURTHER BE IT RESOLVED, that the University is hereby authorized and directed to cause each of the subsidiaries of the University, as may be applicable, to take such actions as the Authorized Officers deem necessary, advisable or appropriate to consummate and effectuate the transactions contemplated herein, or to carry out the full intent and purposes of the foregoing resolutions;

FURTHER BE IT RESOLVED, that the Authorized Officers be, and each of them with full authority to act without others hereby is, authorized and directed, in the name and on behalf of the University, to pay, or cause to be paid, any and all expenses, costs and fees arising in connection with the matters described in the foregoing resolutions, including, without limitation, any accountants' and attorneys' fees;

FURTHER BE IT RESOLVED, that any and all actions previously taken by the Authorized Officers or other officers or representatives of the University, for and on behalf and in the name of the University, in connection with any of matters and transaction described and approved in the foregoing resolutions are hereby authorized, ratified, confirmed and approved in all respects for all purposes; and

FURTHER BE IT RESOLVED, that the Secretary or any Associate Secretary or Assistant Secretary of the University is hereby authorized, on behalf of the University, to certify and attest any adopted resolutions of the Board or any of its committees, or any agreements, instruments, filings, reports, or other documents which such Secretary, Associate Secretary or Assistant Secretary may

deem necessary or appropriate to consummate the transactions contemplated by any of the foregoing resolutions; provided, that such attestation shall not be required for the validity of any such agreements, instruments, filings, reports or other documents.

4.d.9) Consideration of Proposed Interim Maintenance and Operating Budget for the University for the Fiscal Year Beginning July 1, 2023

The Committee on Finance, Business and Capital Planning recommended that the Board of Trustees approve resolution 4.d.9. Sara Thorndike provided supporting remarks and context for this item. A motion to approve the following resolution was seconded and unanimously approved by the Board.

RESOLVED, That pending adoption of a new budget to reflect clarification of the amount and form of the State appropriation, and subsequent decisions regarding the amount of tuition charges, adjustments to salaries, wages, and employee benefits, and provisions for other cost increases, the Board of Trustees approves continuation for the interim period beginning July 1, 2023 total budget amounts at the level of the adjusted 2022-23 budget as follows:

	<u>University Park and Other Locations</u>	<u>Pennsylvania College of Technology</u>	<u>Total University</u>
General Funds	\$ 2,847,149,000	\$ 103,196,000	\$ 2,950,345,000
Agricultural Federal Funds	22,999,000		22,999,000
Restricted Funds	1,086,160,000	22,613,000	1,108,773,000
Auxiliary Enterprises ^a	492,788,000	25,516,000	518,304,000
Total	\$ 4,449,096,000	\$ 151,325,000	\$ 4,600,421,000
Penn State Health System			3,863,425,000
Total Funds			\$ 8,463,846,000

Initial Operating Budget approved by Board of Trustees, September 23, 2022.

^a Includes additional \$29.9M due to increase in room and board charges as approved by the Board of Trustees, February 17, 2023.

4.d.10) Approval of Proposed Extension of Remaining Borrowing Authority of Current Capital Plan

The Committee on Finance, Business and Capital Planning recommended that the Board of Trustees approve resolution 4.d.10. Sara Thorndike provided supporting remarks and context for this item. A motion to approve the following resolution was seconded and unanimously approved by the Board.

WHEREAS, at a meeting of the Board of Trustees (the “Board”) of The Pennsylvania State University, a state-related institution and instrumentality of the Commonwealth of Pennsylvania subject to the Pennsylvania nonprofit corporation law (the “University”) held on September 15, 2017, the Board adopted resolutions authorizing the officers of the University to cause the University to borrow or guarantee, through the issuance of bonds, notes, leases, installment sale agreements or other forms of debt obligations, an aggregate principal amount not to exceed \$2.2 billion to support the University’s capital plan for the period of fiscal year 2018-2019 through fiscal year 2022-2023 (the “2019-2023 Capital Plan”)(hereinafter, as amended, the “2017 Resolution”);

WHEREAS, the 2017 Resolution provides that any borrowings authorized and approved by the officers of the University pursuant to the borrowing authority granted under 2017 Resolution are limited to capital projects approved by the Board prior to June 30, 2023;

NOW THEREFORE, BE IT RESOLVED, that the President, the Senior Vice President for Finance & Business/Treasurer, and the Associate Vice President for Budget and Finance of the University (each, an “Authorized Officer,” and collectively, the “Authorized Officers”), be, and each of them individually hereby is, authorized to exercise the remaining borrowing authority granted to such officers pursuant to the 2017 Resolution on a date up to and including December 31, 2023 for a total amount not to exceed \$240 million for any and all projects that have been approved by the Board prior to June 30, 2023 as part of the 2019-2023 Capital Plan; and

FURTHER BE IT RESOLVED, that the Authorized Officers be, and each of them with full authority to act without others hereby is, authorized and directed, in the name and on behalf of the University, to prepare, negotiate, execute, file, deliver, and perform any agreements, letters, consents, instruments, amendments, documents, applications, filings, reports and certificates, and take any and all such other actions as the Authorized Officers may deem necessary, advisable or appropriate to carry out the full intent and purposes of the foregoing resolutions, the negotiation, preparation, execution, delivery, or performance thereof by the Authorized Officers to be conclusive evidence of the approval thereof by the University.

E. Committee of Governance and Long-Range Planning

Chair Potts reported the Committee met on March 16th 2023 in a joint educational conference session with the Governance and Long-Range Planning Committee as well as on April 20th 2023. At the April 20th meeting, Chair Potts stated the Committee considered and unanimously approved the following three action items which were on the Board’s agenda as action items 4.e.1 through 4.e.3.

Item 4.e.1. The approval of the Proposed Appointment/Reappointment of Directors for the Penn State Health Board of Directors. The Committee unanimously approved this item.

Item 4.e.2. The approval of the Proposed Appointment/Reappointment of Directors to the Penn State Milton S. Hershey Medical Center Board of Directors. The Committee unanimously approved this item.

Item 4.e.3. The election of Kevin Schuyler as the Student Trustee for a two-year term beginning July 1, 2023. The Committee unanimously approved this item.

Chair Potts also discussed the Board Assessment plan with the RFP selection group recommending to defer the external assessment given the University’s current budget constraints. The committee remains committed to moving forward with the internal self-assessment plan with the goal of launching the assessment survey in early June and the updated Skills Inventory in July with the onboarding of new trustees.

Chair Potts stated the Committee also received an update from the Long-Range Planning Subcommittee confirming the Board’s retreat will be held August 17-18 at the J. Willard and Alice S. Marriott Foundation Building.

The next meeting of the Subcommittee on Long-Range Planning is scheduled for May 15th 2023 from 3:00 to 3:45 p.m.

Action Items

4.e.1) Approval of Proposed Appointment/Reappointment of Directors for the Penn State Health Board of Directors

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 unanimously approved by the Board.

RESOLVED, That the following individuals be appointed/reappointment to the Board of Directors of Penn State Health by the Board of Trustees of The Pennsylvania State University for a one-year term commencing on July 1, 2023:

Neeli Bendapudi	Keith E. Masser
Timothy P. Brown	Barry K. Robinson
Peter M. Carlino	Sara F. Thorndike
Mark H. Dambly	Peter G. Tombros
David M. Kleppinger	Steven B. Wagman

RESOLVED, That the appointment of Tony G. Farah, M.D. to the Board of Directors of Penn State Health commencing July 1 2023 is hereby confirmed.

4.e.2) Approval of Proposed Appointment/Reappointment of Directors to the Milton S. Hershey Medical Center Board of Directors

The Committee on Governance and Long-Range Planning recommended that the Board of Trustees approve resolution 4.e.2. A motion to approve the following resolution was seconded and unanimously approved by the Board.

RESOLVED, that Kenneth Wood is appointed to the Board of Directors of The Milton S. Hershey Medical Center for a term effective upon his employment with Penn State Health as Chief Medical Officer (on or around June 4, 2023) through June 30, 2026 or until his successor is appointed;

RESOLVED, That the following individuals are appointed to the Board of Directors of The Milton S. Hershey Medical Center for a term of three years, subject to confirmation by the Board of Trustees of The Pennsylvania State University, with a term to commence July 1, 2023, and to expire on the date indicated, or until his successor is appointed:

Dennis P. Brenckle – June 30, 2026
Tom Lenkevich – June 30, 2026

4.e.3) Election of Student Trustee

The Committee on Governance and Long-Range Planning recommended that the Board of Trustees approve resolution 4.e.3. A motion to approve the following resolution was seconded and unanimously approved by the Board.

The election of Kevin Schuyler as the Student Trustee for a two-year term beginning July 1, 2023.

F. Committee on Legal and Compliance

Chair Houston reported that the Legal and Compliance Committee held an educational conference session and executive session on March 16th 2023 with a quorum of members present. During the conference session, Vice Provost for Faculty Affairs Bieschke provided an in-depth review of University Policy AC21 – Definition of Academic Ranks and University Policy AC 23 – Promotion and Tenure Procedures and Regulations. The Committee also received an update in privileged executive session on current legal issues.

Chair Houston noted the next meeting of the Committee on Legal and Compliance is scheduled for

Thursday, June 15th from 8:30 to 9:30 a.m.

There were no action items presented to the Board.

G. Committee on Outreach, Development and Community Relations

Chair Sokolov reported that the Outreach, Development and Community Relations Committee met on April 20th 2023 to receive an update on committee metrics, including the alumni trustee elections, current fundraising progress, Advocate Penn State and Outreach activities. He reminded anyone who hasn't yet signed the petition to support the University's request for additional state funding in 2023-24 you can do so at advocate.psu.edu.

Chair Sokolov stated the Committee also received a comprehensive update from Renata Engel, vice provost for online education, on World Campus enrollment, retention and graduation data as well as a review of the many student engagement opportunities available through the World Campus.

Chair Sokolov stated the Committee considered and approved two action items, items 5.a. and 5.b. on the Board's agenda. For each item requiring a Board vote today, Chair Sokolov reported the committee's recommendations for each action item.

Item 5.a. Election of Trustees Representing Business and Industry. The Committee unanimously approved this item.

Item 5.b. Election of At-Large Trustee. The Committee unanimously approved this item.

The next meeting of the Committee on Outreach, Development and Community Relations is scheduled for Thursday, June 15th from 1:30 to 3:00 p.m.

Actions Items

5.a) Election of Trustees Representing Business and Industry

A motion to approve the following resolution was seconded and unanimously approved by the Board.

In accordance with the Board's Standing Orders, the Selection Group, composed of five members of the Board, provides the names of two candidates for confirmation by the Board of Trustees for election as trustees representing business and industry endeavors. After considering thirteen nominations, the Selection Group consisting of Trustees Delligatti, Fenza, Harpster, Schneider and Sokolov submit Robert Beard and Karen Quintos for election to the Board of Trustees for three-year terms beginning July 1, 2023.

5.b) Election of At-Large Trustee

A motion to approve the following resolution was seconded and approved by the Board. Trustee Trustee Fenchak voted against the motion.

In accordance with the Board's Standing Orders, the Selection Group, composed of five members of the Board, provides the name of a candidate for confirmation by the Board of Trustees for election as an at-large trustee. After considering three candidates, the Selection Group consisting of Trustees Amoros, Gursahaney, Pope, Rowland, and Wagman recommend Matt Schuyler for election to the Board of Trustees as an at-large trustee for a three-year term beginning July 1, 2023.

Report on the University Faculty Senate

Chair of the Faculty Senate Michele Stine reported on the Faculty Senate's activities last year. She noted the Faculty Senate produced eighty reports from September 2022 to April 2023, most of which related to the curricular mission. Several reports dealt with policy of functions related to the academic mission,

including search procedures for academic administrators, developing an Emeritus Academy, student behavioral health, land grant accountability, sustainability, and election day. Chair Stine recognized the Faculty Senate's initiatives to improve its effectiveness, including reorganization of governance documents, examination of committee structures, restricting DEIB, and collaborations with administration. She summarized the Faculty Senate's focus areas for next year and beyond, to include curricular oversight to prevent overlap, data and decision-making on employee benefits, sustainability, DEIB, continuing to strengthen student support resources, and refining structure and procedures. The goal is to bolster relationships amongst the Board, administration, faculty, staff, and students by improving the Faculty Senate's commitment to, and practice of, shared governance.

President's Report

President Bendapudi's remarks included the following topics: selection of Schwartz as Executive Vice President and Provost of the University after a national search; departure of Gaudalius from her role as vice president and dean of Undergraduate Education and return to faculty on June 30th; a look-back on her first year as Penn State President; and the many accomplishment of the university.

President Bendapudi said Penn State enrolled more STEM students than any other university in the nation, with 19 of Penn State's programs ranked in the top 25 nationally for research expenditures and 12 ranked in the top 10 in a world-renowned one-billion-dollar interdisciplinary research enterprise. She noted the many accomplishments of the faculty, including faculty winning the "genius" award and being named a MacArthur Fellow, a Sloan Research Fellow, and a Guggenheim Fellow; three faculty named as fellows of the National Academy of Inventors; five faculty named as fellows of the American Association for the Advancement of Science; and three Atherton Professorships for emeriti Evan Pugh Professors. She observed Penn State will confer 14,000 degrees across the Commonwealth this weekend, demonstrating Penn State's scale and impact of its academic mission. She discussed the launch of the Diversity, Equity, Inclusion, and Belonging (DEIB) dashboard in April, creating a "one-stop shop" for helping students navigate the many equity-focused resources and opportunities available. She highlighted the university's efforts to advance a comprehensive faculty and staff hiring and retention program and updating the procedures for reporting DEIB issues to make them easier to navigate and more responsive. She lastly shared Penn State's many research successes, including partnering with Evaxion Biotech on a first-of-its-kind study investigating artificial intelligence to develop an AI-generated COVID vaccine that functions in a different way from existing vaccines, discovery of evidence that points to the existence of ancient oceans on Mars in the planet's past, leading a multi-institution team that has been awarded a five-year, \$39 million grant to establish the Feed the Future Innovation Lab for Current and Emerging Threats to Crops, and efforts to make buildings more eco-friendly, reduce construction waste, and create more sustainable building materials.

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

Report on Election of Trustees by the Alumni

Trustee Wagman supplied a report on he and Trustee de Levie's role as judges for the 2023 alumni election for the Board of Trustees. He noted KPMG was engaged to observe the tabulation of ballots, which occurred May 4th 2023 after the voting concluded at 9:00 a.m. This year, eight individuals met the threshold of receiving 250 nominations, expressed a desire to serve Penn State as alumni-elected trustees, and met the criteria to run for election. These eight individuals were placed on the ballot. A total of 25,620 ballots were cast. The three candidates receiving the highest number of votes, resulting in a three-year term beginning on July 1, 2023 were Ali Krieger (12,141 votes), Joseph "Jay" V. Paterno (11,745 votes), Anthony P. Lubrano (10,281 votes). A motion was put forward to accept Trustee Wagman's report, seconded, and unanimously approved.

Report on Election of Trustees by Agricultural Delegates

Trustee Detwiler reported she and Trustee Cairns served as judges for the agricultural election for the Board of Trustees on May 4th 2023. There were two candidates on the ballot who were appropriately nominated – Randall "Randy" Black and Lynn Dietrich. Following the submission of ballots by duly authorized representatives, Randy Black and Lynn Dietrich were elected by the agricultural delegates to

serve three-year terms beginning July 1, 2023. motion was put forward to accept Trustee Detwiler's report, seconded, and unanimously approved.

Closing Remarks/Announcements

Chair Schuyler thanks outgoing Trustees for their commitment and service to the Board and Penn State University. Trustees Dambly, Davis, Houston, Pope, Rakowich and Shipley represent over forty-two years of leadership and service to the University, and Chair Schuyler said the entire Board was sincerely grateful for their dedication and the support each of them has provided during their tenure on the Board. As a small token of appreciation, they were presented with a Penn State Nittany Lion statue during the Board's executive session.

Chair Schuyler noted the next public meeting of the Board will be on Friday, July 21st 2023 at Penn State Erie, the Behrend College.

There being no other business, the public meeting was adjourned at 2:27 p.m.

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

Respectfully submitted,

Shannon S. Harvey
Secretary, Board of Trustees