



University Capital Plan Update

Fiscal Year 2023-2024 to Fiscal Year 2027-2028



PennState

Board of Trustees • September 2026

'24-'28 Capital Plan Changes

	May 2023	September 2024	September 2025	September 2026
Education and General	\$ 971.1	\$ 1,129.0	\$ 1,122.1	\$ 1,166.5
Systems Renewal Program	251.0	251.0	251.0	251.0
Major Construction and Renovations	599.5	753.8	778.2	822.6
Infrastructure	93.1	91.0	59.7	59.7
Demolition	27.5	33.2	33.2	33.2
College of Medicine	22.0	42.4	41.8	63.3
Auxiliary and Business Services	356.2	376.4	384.3	396.1
Intercollegiate Athletics	700.0	700.0	700.0	700.0
Applied Research Laboratory	133.7	159.9	183.9	204.8
	\$ 2,183.0	\$ 2,407.7	\$ 2,432.1	\$ 2,530.7

Approved '24-'28 Capital Plan with Update

	'19-'23 CP	DGS	EGB/SSB	Reserves	Gifts	Other ¹	Total	UPDATE	Change
❶ Education and General	\$ 159.3	\$ 350.0	\$ 233.5	\$ 185.8	\$ 17.0	\$ 176.5	\$ 1,122.1	\$ 1,166.5	\$ 44.4
Systems Renewal Program	16.5	204.5	-	30.0	-	-	251.0	251.0	
Major Construction	132.8	129.0	233.5	89.4	17.0	176.5	778.2	822.6	
Infrastructure	-	-	-	59.7	-	-	59.7	59.7	
Demolition	10.0	16.5	-	6.7	-	-	33.2	33.2	
❷ College of Medicine	-	-	10.8	1.2	-	29.8	41.8	63.3	21.5
❸ Auxiliary and Business Services	-	-	278.9	104.6	-	0.8	384.3	396.1	11.8
❹ Intercollegiate Athletics	-	-	700.0	-	-	-	700.0	700.0	-
❺ Applied Research Laboratory	-	-	89.6	30.7	12.9	50.7	183.9	204.8	20.9
Total	\$ 159.3	\$ 350.0	\$ 1,312.8	\$ 322.3	\$ 29.9	\$ 257.8	\$ 2,432.1	\$ 2,530.7	
Change	\$ 0.9	(\$ 3.8)	(\$ 46.5)	\$ 6.0	\$ 39.2	\$ 102.8	\$ 98.6		
UPDATE	\$ 160.2	\$ 346.2	\$ 1,266.3	\$ 328.3	\$ 69.1	\$ 360.6	\$ 2,530.7		

1 Education and General

\$ 44.4 Total

Added

▪ Plant Innovation Complex - Phase I	\$ 100.0
▪ Sheetz Center for Entrepreneurial Excellence Renovation (and Addition) - Altoona	\$ 11.0

Change

Increased

▪ Henderson Building Renovation	\$ 1.9
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Reduced

▪ Center for Manufacturing Competitiveness - Behrend	(\$ 5.8)
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Removed

▪ Former Palmer Museum of Art Repurposing	(\$ 40.4)
▪ Program Contingencies	(\$ 22.3)

2 College of Medicine

\$ 21.5 Total

Added

Change

- Central Utility Plant - Deaerator Tank and Electrical Gear Replacement

\$ 21.5



PennState

Dollars are expressed in millions

3 Auxiliary and Business Services

\$ 11.8 Total

Added

- | | Change |
|--|---------|
| ▪ State College Regional Airport - Runway 06/24 Rehabilitation (Phase I) | \$ 12.2 |
| ▪ West Residence Halls - Thompson Hall -- Bathroom Renovations and Additional Bedrooms | \$ 16.6 |

Removed

- | | |
|--|-----------|
| ▪ South Residence Halls - Simmons Hall -- Bathroom Renovations | (\$ 17.0) |
|--|-----------|

4 Intercollegiate Athletics

No changes have been made to the '24-'28 Capital Plan for Intercollegiate Athletics

5 Applied Research Laboratory

\$ 20.9 Total

Added

- Navigation Research and Development Center Renovation (and Addition) - Warminster

Change

\$ 34.1

Removed

- Reston Relocation

(\$ 19.2)

Increased

- Project 'Discovery'

\$ 6.0

Updated '24-'28 Capital Plan

	'19-'23 CP	DGS	EGB/SSB	Reserves	Gifts	Other	Total
Education and General	\$ 160.2	\$ 331.2	\$ 191.6	\$ 179.8	\$ 68.1	\$ 235.6	\$ 1,166.5
Systems Renewal Program	16.5	204.5	-	30.0	-	-	251.0
Major Construction and Renovations	133.7	110.2	191.6	83.4	68.1	235.6	822.6
Infrastructure	-	-	-	59.7	-	-	59.7
Demolition	10.0	16.5	-	6.7	-	-	33.2
College of Medicine	-	15.0	10.8	7.7	-	29.8	63.3
Auxiliary and Business Services	-	-	278.9	104.2	-	13.0	396.1
Intercollegiate Athletics	-	-	700.0	-	-	-	700.0
Applied Research Laboratory	-	-	85.0	36.6	1.0	82.2	204.8
	\$ 160.2	\$ 346.2	\$ 1,266.3	\$ 328.3	\$ 69.1	\$ 360.6	\$ 2,530.7

Resolution

RESOLVED, that an increase in the total authorized amount of the capital plan of the University for fiscal year 2023-2024 through fiscal year 2027-2028 (the "Capital Plan") from \$2,432,100,000 to \$2,530,700,000, be, and hereby is, authorized, approved and declared advisable and in the best interest of the University; provided, however, that this approval relates solely to the increase in the total authorized amount of the Capital Plan and does not constitute approval of any individual capital project included in or contemplated by the Capital Plan, each of which shall remain subject to such separate approval of this Board of Trustees as may be required by the University's Bylaws, Board policies, or prior Board action; and

FURTHER BE IT RESOLVED, that the officers of the University (the "Officers") be, and each of them with full authority to act without the others hereby are, further authorized and directed, in the name and on behalf of the University, to prepare, execute, deliver, and perform such other agreements, instruments, applications, reports, filings and other documents, and to take or cause to be taken any and all such other actions, as any of the Officers so acting deems necessary or appropriate to make effective the foregoing resolutions.

Center for Manufacturing Competitiveness, Behrend



Project Summary:

- New 31,300 sq. ft. building in Knowledge Park with specialty research labs, tenant space, and common space

Project Cost: \$19.2M



Project Impact

The Center for Manufacturing Competitiveness will function as an intrapreneurial sandbox and catalyst for Erie County's economic, innovation, and social development. Anchored in additive manufacturing and metal casting laboratory space, the facility is where manufacturers and researchers can prototype and test emerging technologies and sustainable practices. Student researchers will gain hands-on experience in growing industrial sectors which increases four-year retention. Future tenant space is included for anticipated growth opportunities.



Center for Manufacturing Competitiveness, Behrend





Center for Manufacturing Competitiveness, Behrend



Exterior – West Corner



Funding Sources

Redevelopment Assistance Capital Program	\$ 8.0M
Erie County Gaming Funds	\$ 3.0M
University Match to Erie County	\$ 3.0M
Erie County American Rescue Plan Funds	\$ 2.5M
Philanthropy	\$ 1.0M
Real Estate Funds	\$ 0.7M
Penn State Behrend	\$ 0.5M
Knowledge Park	\$ 0.5M

TOTAL:	\$19.2M
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Schedule

September 2026	BOT Project Approval
September 2026	Construction Start
November 2027	Construction Complete



RESOLVED, That the Center for Manufacturing Competitiveness project at Penn State Behrend as designed by Weber Murphy Fox of Erie, Pennsylvania is hereby authorized and approved.

FURTHER BE IT RESOLVED, That the officers of the University (the “Officers”) are hereby authorized to award contracts in the name and on behalf of University as they may deem necessary to accomplish the project and to expend funds for a total cost to the University of up to \$19,200,000.

FURTHER BE IT RESOLVED, That the Officers are hereby authorized and directed, in the name and on behalf of the University, to prepare, execute, deliver, and perform any agreements, instruments, reports, filings and other documents, and to take or cause to be taken any and all such other actions, as any of such Officers so acting deems necessary or appropriate to complete the project or to effectuate any of the foregoing resolutions.

Animal Diagnostic Laboratory Addition, University Park



Project Summary:

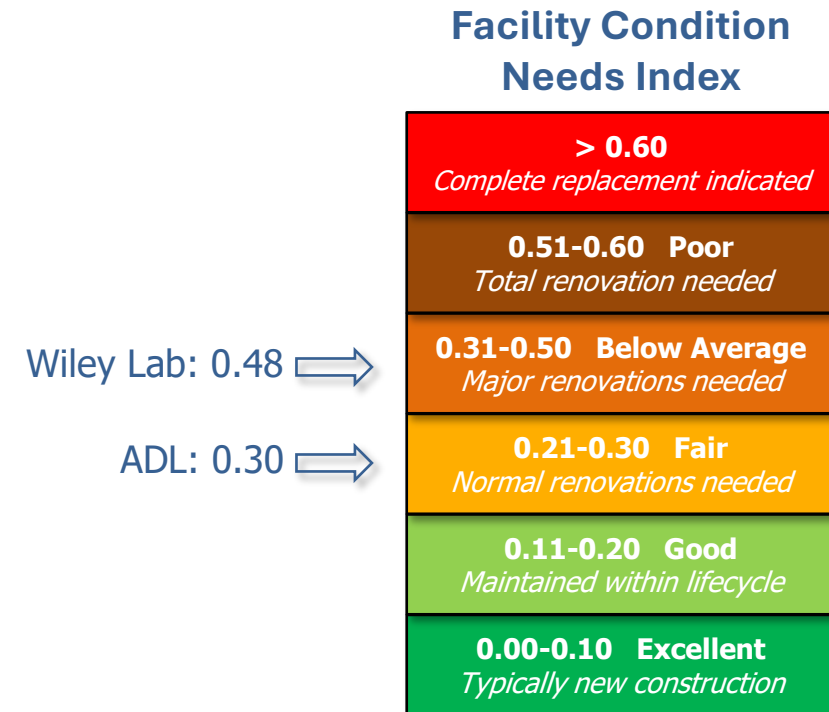
- Addition to ADL and removal of Wiley and Longhouse

Project Cost: \$65.327 Million



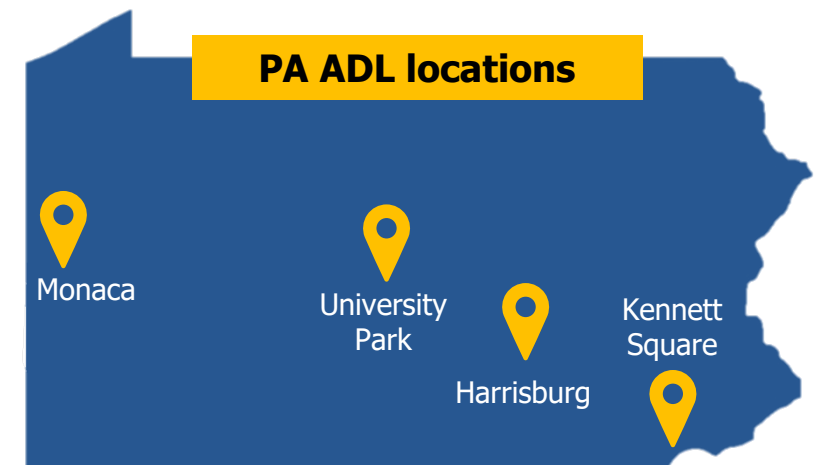
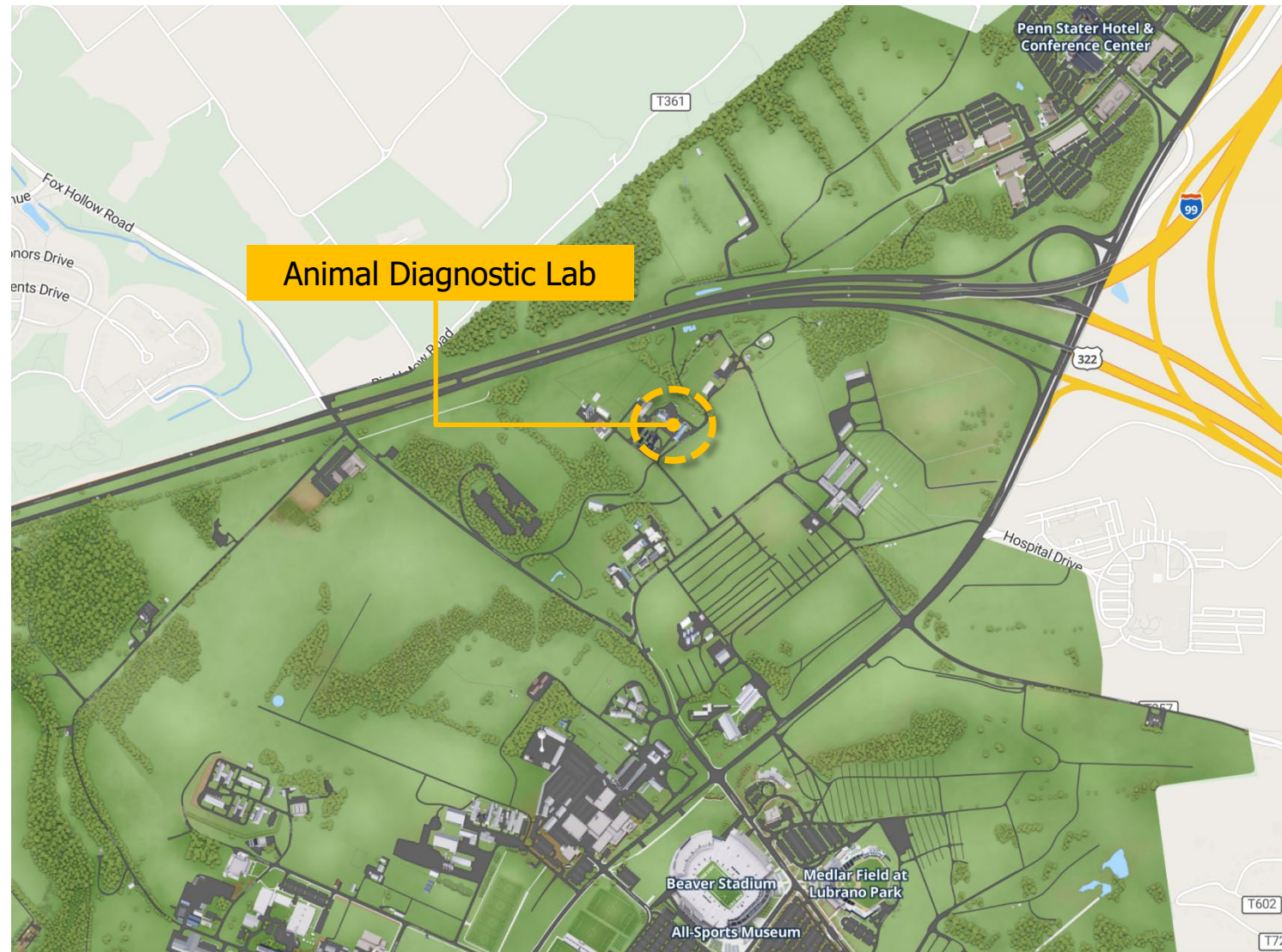
Project Impact

The new state-funded ADL Addition will meet the growing demand for advanced, reliable, and timely diagnostic services that support animal health and food safety. With challenges in disease detection, biosecurity, and veterinary science, this facility provides the infrastructure for cutting-edge diagnostics and rapid response, strengthening our ability to serve the state's livestock, poultry, food producers, veterinarians, and researchers with excellence and innovation.





Animal Diagnostic Laboratory Addition





Animal Diagnostic Laboratory Addition

LONG-TERM SITE PLAN





Animal Diagnostic Laboratory Addition



Exterior – Looking North



Animal Diagnostic Laboratory Addition



Necropsy Laboratory



Animal Diagnostic Laboratory Addition



BSL-2 Laboratory



Funding Sources

Dept. of General Services \$ 62.227M

Reserves \$ 3.100M

TOTAL: \$ 65.327M

Schedule

September 2026 BOT Project Approval

October 2026 Construction Start

November 2028 Construction Complete



RESOLVED, That the Animal Diagnostic Laboratory Addition project at Penn State University Park as designed by Perkins & Will Architects of Boston, Massachusetts, is hereby authorized and approved.

FURTHER BE IT RESOLVED, That the officers of the University (the “Officers”) are hereby authorized to award contracts in the name and on behalf of University as they may deem necessary to accomplish the project and to expend funds for a total cost to the University of up to \$65,327,000.

FURTHER BE IT RESOLVED, That the Officers are hereby authorized and directed, in the name and on behalf of the University, to prepare, execute, deliver, and perform any agreements, instruments, reports, filings and other documents, and to take or cause to be taken any and all such other actions, as any of such Officers so acting deems necessary or appropriate to complete the project or to effectuate any of the foregoing resolutions.

Henderson Building Renovation, University Park



Project Summary:

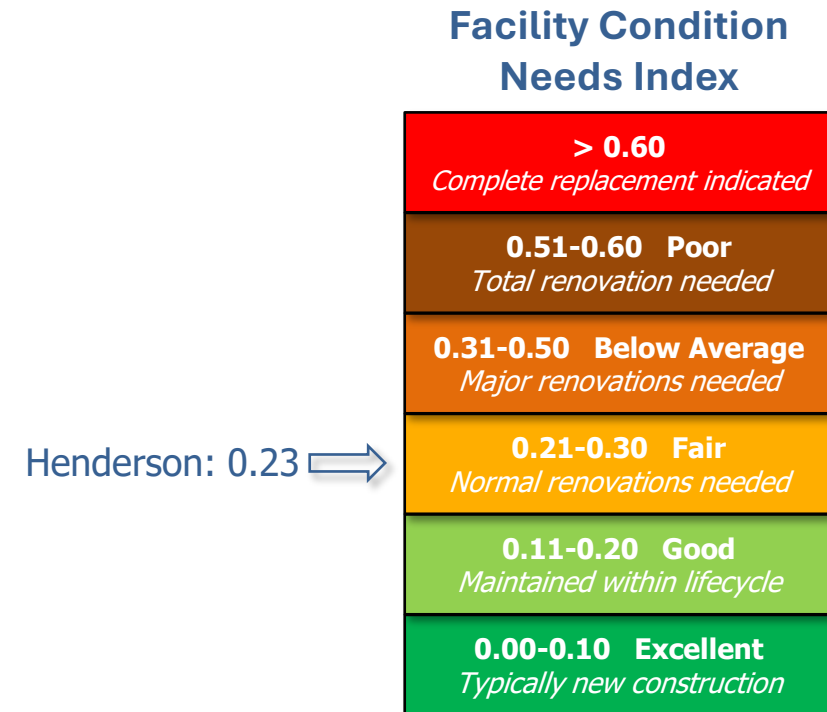
- Building systems renewal and program space modernization.

Project Cost: \$16.6 Million



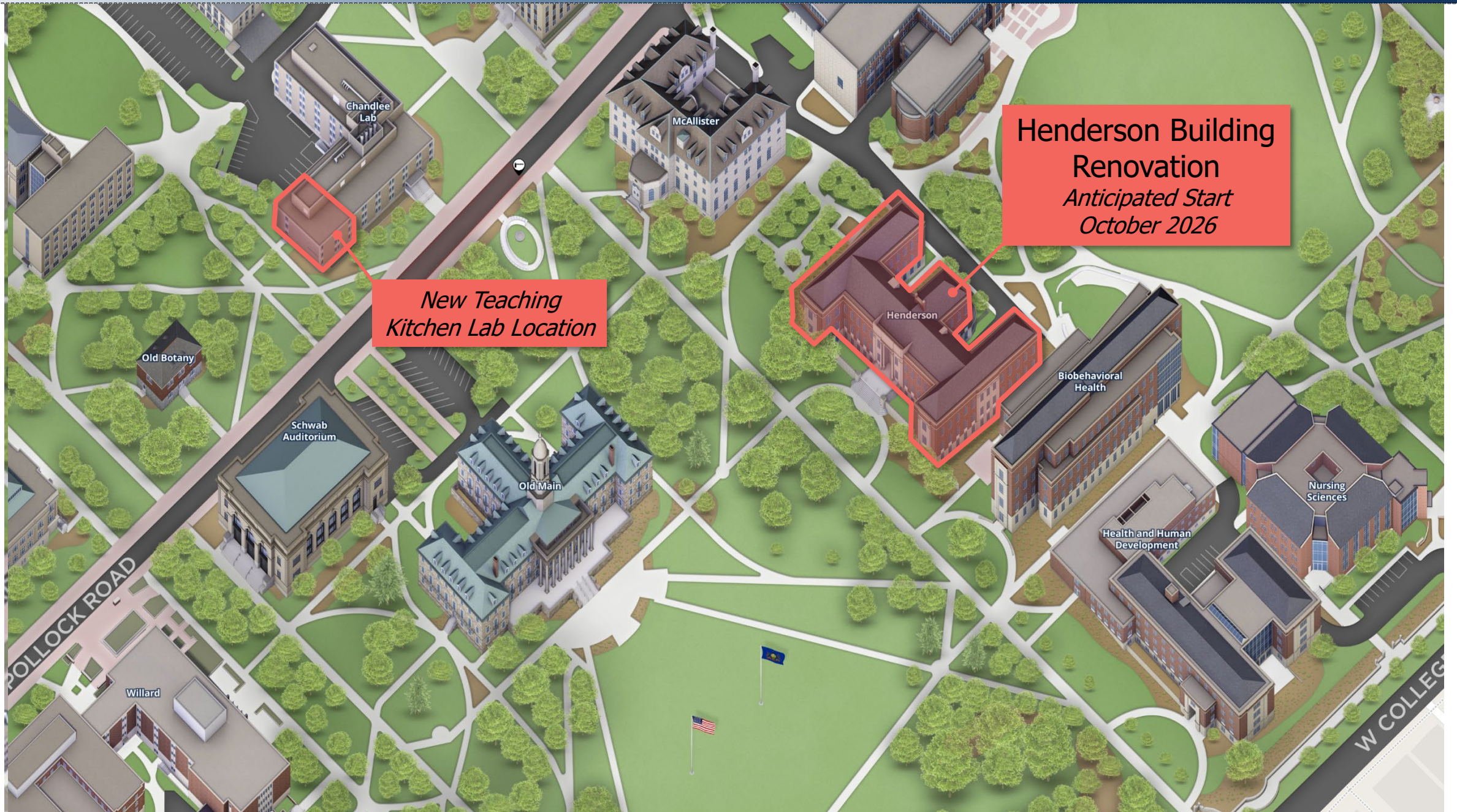
Project Impact

The 1933 Charles Klauder designed Henderson Building will undergo a partial renovation to support student recruitment, retention, and success. The project will modernize key student-facing areas, including general-purpose classrooms and student services spaces, while improving accessibility through the relocation of the elevator, reconfigured restrooms, and upgrades to building systems.





Henderson Building Renovation





Existing Conditions



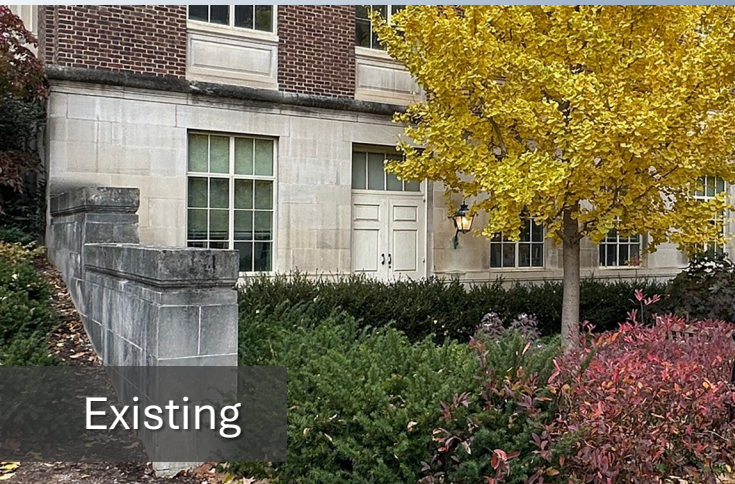
Existing



New Teaching Kitchen Lab – Moving from Henderson to Chandlee



Henderson Building Renovation





New Lobby, Corridors, and Informal
Gathering/Studying Spaces



Existing



First Floor GPC – Active Learning



Funding Sources

E&G Borrowing	\$ 9.1M
E&G Reserves	\$ 1.6M
HHD	\$ 5.5M
Energy Savings	\$ 0.4M

TOTAL: \$ 16.6M

Schedule

September 2026	BOT Project Approval
October 2026	Construction Start
March 2027	Teaching Kitchen (Chandlee) Complete
March 2028	Henderson Building Complete



RESOLVED, That the Henderson Building Renovation project at Penn State University Park as designed by Whitman, Requardt and Associates of Baltimore, Maryland, is hereby authorized and approved.

FURTHER BE IT RESOLVED, That the officers of the University (the “Officers”) are hereby authorized to award contracts in the name and on behalf of University as they may deem necessary to accomplish the project and to expend funds for a total cost to the University of up to \$16,600,000.

FURTHER BE IT RESOLVED, That the Officers are hereby authorized and directed, in the name and on behalf of the University, to prepare, execute, deliver, and perform any agreements, instruments, reports, filings and other documents, and to take or cause to be taken any and all such other actions, as any of such Officers so acting deems necessary or appropriate to complete the project or to effectuate any of the foregoing resolutions.

New Applied Research Laboratory Building, Innovation Park



Project Update:

- Approve \$6M increase to approved project

Project Summary:

- Fit-out shell space

Project Cost:

- Approved in Nov. 2024 for \$91.1M
- Proposed project increase to \$97.1M



New Applied Research Laboratory Building





Background

The project was approved by the PDRB at Gate 3 in October 2024 and by the full Board of Trustees in November 2024 at \$91.1M. At that time, the program included approximately **14,000 ASF of shell space** to “provide capacity for research program growth.” A recent contract was awarded to ARL to fit out part of this research space.

Construction began in December 2024 and project completion is anticipated for June 2027.





Justification for Request

Completing this 8,000 ASF fit-out as part of the current construction project will:

- eliminate operational impacts;
- reduce total cost of the work; and
- significantly reduces security and clearance requirements versus performing the work once occupied.



Project Funding	Approved	Proposed Change	Total
Self-Supported Borrowing	\$ 64.6M	(\$4.6M)	\$ 60.0M
ARL Reserves	\$ 26.5M	(\$0.7M)	\$ 25.8M
Direct Contract	-	\$ 11.3M	\$ 11.3M
TOTAL:	\$ 91.1M	\$ 6.0M	\$ 97.1M

Schedule	
November 2024	BOT Project Approval
September 2026	BOT Approval to Increase Budget/Scope
June 2027	Substantial Completion



RESOLVED, that an increase in the total authorized amount of the New Applied Research Laboratory Building project from \$91,100,000 to \$97,100,000, be, and hereby is, authorized, approved and declared advisable and in the best interest of the University; and

FURTHER BE IT RESOLVED, That the officers of the University (the “Officers”) are hereby authorized and directed, in the name and on behalf of the University, to prepare, execute, deliver, and perform any agreements, instruments, reports, filings and other documents, and to take or cause to be taken any and all such other actions, as any of such Officers so acting deems necessary or appropriate to complete the project or to effectuate any of the foregoing resolutions.

Proposed Real Estate Divestiture, Penn State Shenango



12.74 Acre Parcel
Sharon, PA
Mercer County

September 2026



Property Information:

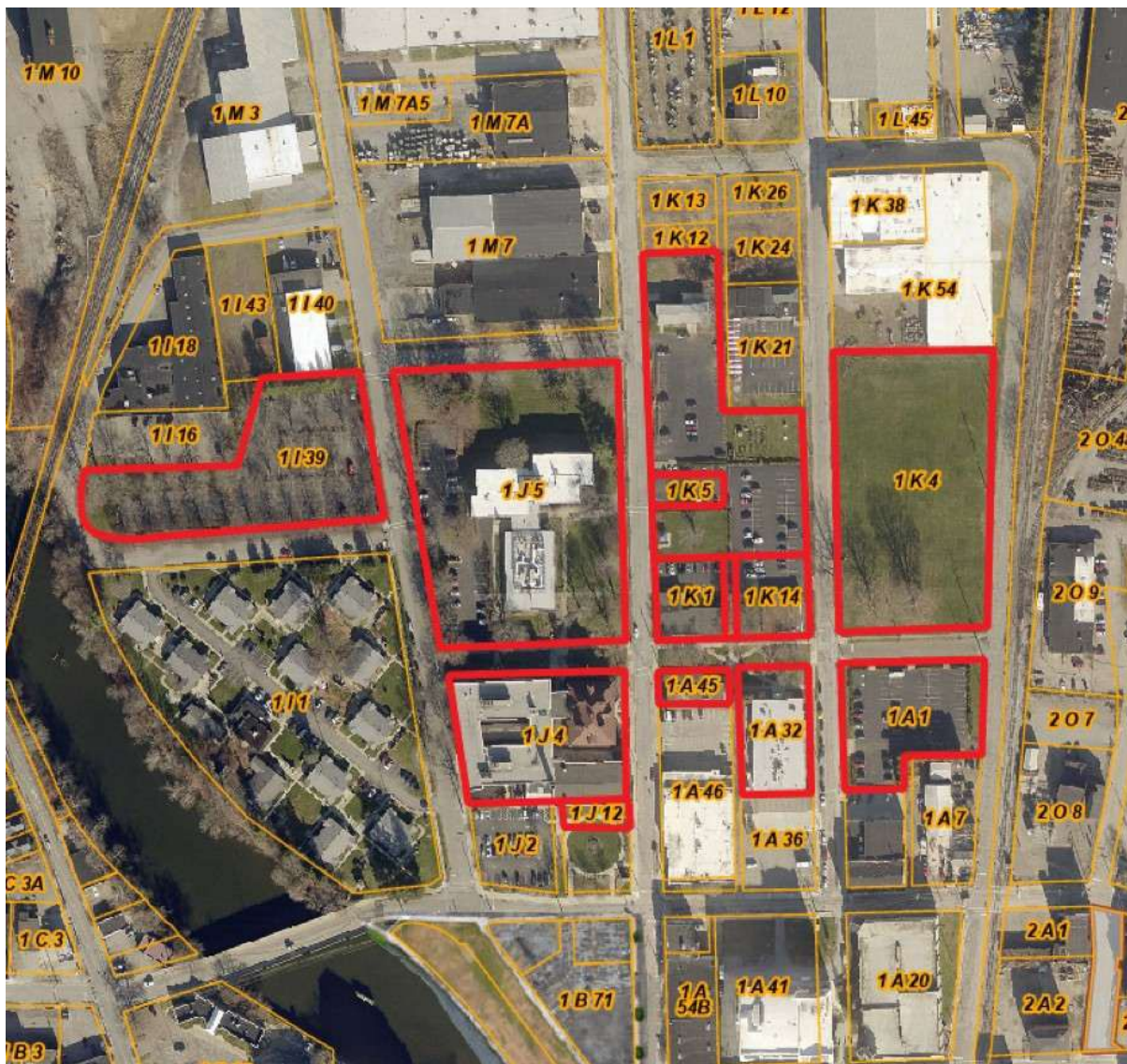
- **Location:** Sharon, Mercer County
- **Land Size:** +/- 12.74 Acres
- **Building Area:** 162,885 GSF
- **Zoning:** Institutional, Light Industrial and Central Commercial Districts

Background:

- Campus acquired by the University over multiple transactions spanning 1967-1997 and totaling \$916,410.

Offer for Consideration:

- **Sales Price:** \$1,000,000
- **Proposed Buyer:** JCL Development
- **Buyer Proposed Use:** Hub for education, workforce training, economic development and cultural enrichment
- **Seller Contingencies:** Board Approval





Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the Board of Trustees hereby authorizes and approves the University's sale of the Penn State Shenango Campus, consisting of approximately 12.74 acres of land and all improvements (Parcels 1-J-5, 1-J-4, 1-K-4, 1-A-1, 1-K-5, 1-I-39, 1-A-45 1-K-14, 1-K-1, 1-A-32, and 1-J-12), located in the City of Sharon, County of Mercer, Pennsylvania, to JCL Development, LLC, a Pennsylvania limited liability company, for a purchase price in the amount of \$1,000,000.

FURTHER BE IT RESOLVED, That the officers of the University (the "Officers") are hereby authorized and directed, in the name and on behalf of the University, to execute, deliver, file or record any agreements, deeds, instruments, reports, filings or other documents, to pay any and all reasonable and necessary expenses and fees, and to take or cause to be taken any and all such other actions as any of such Officers so acting deems necessary or appropriate to make effective the foregoing resolution.

Proposed Real Estate Divestiture, Penn State Wilkes Barre



57.31 Acres

Dallas, PA

Lehman Township

Luzerne County

September 2026



Property Information:

- **Location:** Dallas, Lehman Township, Luzerne County
- **Land Size:** +/- 57.31 Acres
- **Building Area:** 192,800 GSF
- **Zoning:** S1 Special Purpose District

Background:

- Campus acquired by the University over multiple transactions spanning 1965-2007.

Offer for Consideration:

- **Sales Price:** \$5,250,000
- **Proposed Buyer:** HGC Development, LLC
- **Buyer Propose Use:** Multi-use: Golf Club, Event and Conference Venue, Educational
- **Seller Contingencies:** Board Approval





Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the Board of Trustees hereby authorizes and approves the University's sale of the Penn State Wilkes Barre Campus, consisting of approximately 57.31 acres of land and all improvements (Parcels 40-F7-00A-26A-000, 40-F7 -00A-03C-000), located in the City of Dallas, Lehman Township, County of Luzerne, Pennsylvania, to HGC Development, LLC, a Pennsylvania limited liability company, for a purchase price in the amount of \$5,250,000.

FURTHER BE IT RESOLVED, That the officers of the University (the "Officers") are hereby authorized and directed, in the name and on behalf of the University, to execute, deliver, file or record any agreements, deeds, instruments, reports, filings or other documents, to pay any and all reasonable and necessary expenses and fees, and to take or cause to be taken any and all such other actions as any of such Officers so acting deems necessary or appropriate to make effective the foregoing resolution.

Proposed Real Estate Divestiture, Penn State Harrisburg



93 State Route 230
Rosedale and Weaver
Lower Swatara Township

September 2026



Land Site



Original Land Site (blue): 41.5 Acres

Additional Land Area (red): +/- 16 Acres

Collective Site Area: +/- 57.5 Acres

Additional Land area has limited development potential, contains a stream, and is desired by the Buyer for stormwater and setback purposes.



Property Information:

- **Location:** 93 SR 230, Rosedale/Weaver, Lower Swatara Township, Dauphin County
- **Size:** +/- 57.5 Acres
- **Zoning:** Educational/Institutional

Background:

- Purchased in 1968 from the United States of America for \$1,175,000 and was previously the Capeheart Housing Area of Olmstead Air Force Base.
- Penn State Harrisburg utilized the property as student housing from 1970 to 2002.
- Vacant land condition since demolition in 2002.

Offer for Consideration:

- **Sales Price:** \$19,400,000
- **Proposed Buyer:** AREG Industrial Acquisitions LLC (or its subsidiary)
- **Buyer Use:** Industrial – Logistics / E-Commerce / Distribution
- **Buyer Conditions:** Buyer is directly responsible for all development approvals and 50% of transfer tax
- **Seller Contingencies:** University Board Approval
- **Closing Date:** Approximately 18-21 months from contract execution



Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the Board of Trustees hereby authorizes and approves the University's sale of approximately 57.5 acres of vacant land (Parcel 36-023-010-000-0000 and a portion of Parcel 36-013-032-000-0000) located at 93 State Route 230, in Lower Swatara Township, County of Dauphin, Pennsylvania, to AREG Industrial Acquisitions LLC, a Delaware limited liability company, or its direct subsidiary, for a purchase price in the amount of \$19,400,000.

FURTHER BE IT RESOLVED, That the officers of the University (the "Officers") are hereby authorized and directed, in the name and on behalf of the University, to execute, deliver, file or record any agreements, deeds, instruments, reports, filings or other documents, to pay any and all reasonable and necessary expenses and fees, and to take or cause to be taken any and all such other actions as any of such Officers so acting deems necessary or appropriate to make effective the foregoing resolution.

Proposed Real Estate Divestiture, Penn State Behrend

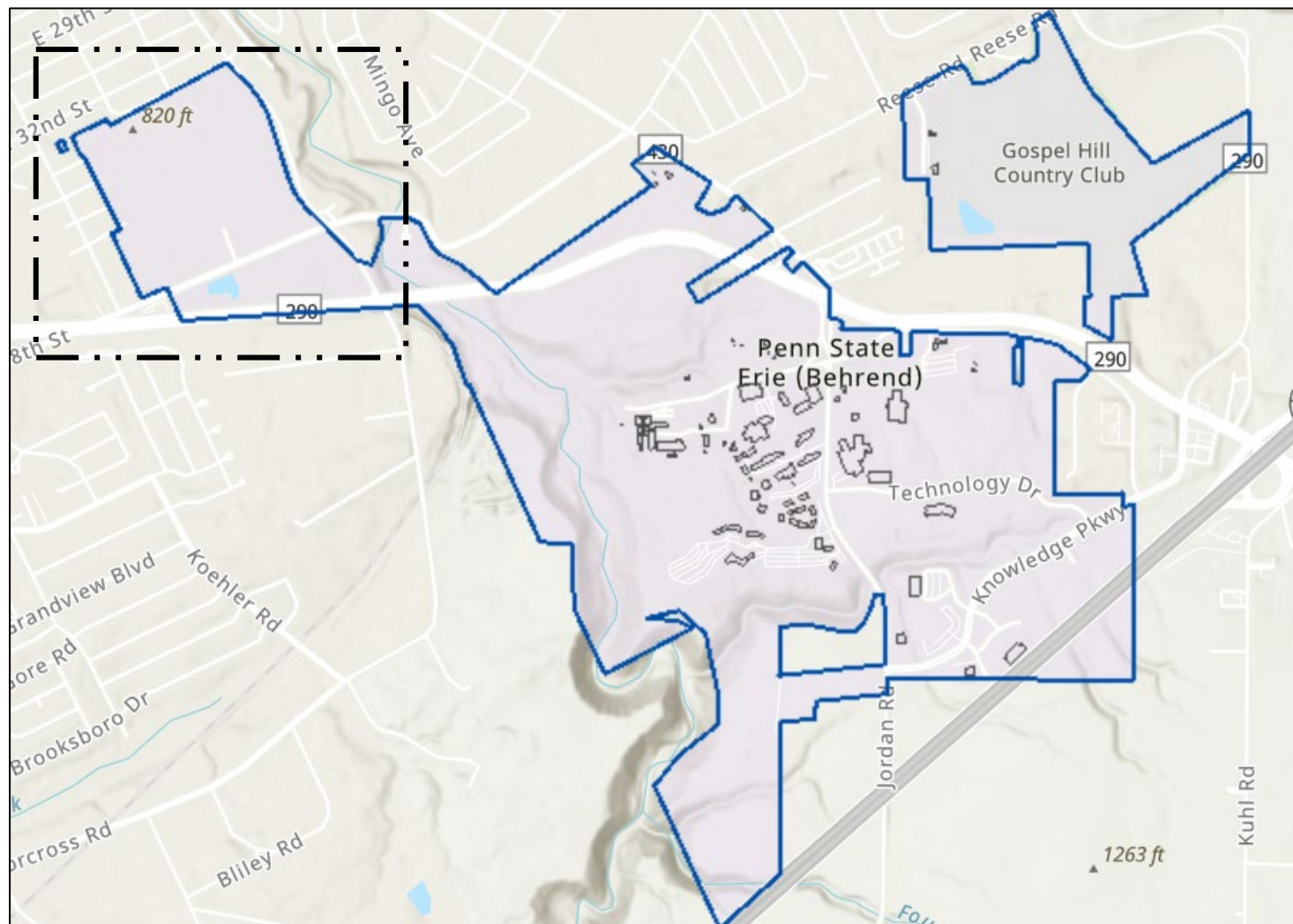


Former Kanty Preparatory School &
Estate of Kenneth L. Lochbaum
East 38th Street & Shannon Road
Erie, PA 16510

September 2026



Residual Land to be Sold





Property Information:

- **98.96 total acres (80.46 useable acres), zoned PU Public University District / R1 Low Density Residential**

Background:

- **Purchased 84.889 acres in 1967 and 1991 (Kanty Prep) and 27.789 acres in 2003, 2010, and 2017 (Lochbaum) for a total of \$2,707,405 (\$24,029/acre)**
- **Placed on market initially in fall 2022**
- **Sold Lot 2 in 2024 for \$320,000 (\$21,665.54/acre)**

Offer for Consideration:

- **\$1,325,000 cash, as-is (\$16,467.81/useable acre)**
- **Proposed Buyer: Gladstone West LLC**
- **Buyer's Use: Mixed-use development**
- **Seller Contingency: Board of Trustee approval**



Will the Board of Trustees adopt the following resolutions:

RESOLVED, That the Board of Trustees hereby authorizes and approves the University's sale of approximately 98.86 acres and all improvements located at East 38th Street and Shannon Road, Harborcreek Township and City of Erie, Parcels 18-051-051.0-100, 130, 200, 209; 18-051-052.0-100, 200, 300; 18-052-038.0-100; 27-070-215.0-1.00; 27-057-214.0-1.00, 1.03, County of Erie, Pennsylvania, to Gladstone West LLC, a New Jersey limited liability company, for a purchase price in the amount of \$1,325,000.

FURTHER BE IT RESOLVED, That the officers of the University (the "Officers") are hereby authorized and directed, in the name and on behalf of the University, to execute, deliver, file or record any agreements, deeds, instruments, reports, filings or other documents, to pay any and all reasonable and necessary expenses and fees, and to take or cause to be taken any and all such other actions as any of such Officers so acting deems necessary or appropriate to make effective the foregoing resolution.



Proposed Approval of Amendment and Restatement of the
Investment Policy for the University's Long-Term
Investment Pool and Intermediate Term Investment Pool
and Reappointment of Non-University Employees to the
Penn State Investment Council



Restatement of Investment Policy

- Adds Intermediate Term Investment Pool (ITIP) to the Investment Policy and removes references to Non-Endowed Funds (NEF).
- LTIP and ITIP are now referred to as the “Investment Pools” subject to the Investment Policy, PSIC oversight and management, diversification, and social and environmental factors.
- Restates LTIP investment objectives to one clarifying statement. Objective remains to preserve the purchasing power of the LTIP, preserve LTIP’s real inflation-adjusted value over time while providing for growth of the LTIP base to accommodate inflation and attain intergenerational equity (and removing the max return/acceptable risk statement).
- Clarifies some spending is in the form of distributions.
- Board Committee updated to the Committee on Finance and Investment.
- Removes long-term assets which are not comingled in LTIP.
- Adds an Authorized Officer provision to reflect current authority of the Senior Vice President for Finance and Business/Treasurer/Chief Financial Officer and the Chief Investment Officer.



Penn State Investment Council Composition

The Penn State Investment Council ("PSIC") consists of four ex-officio members and eight to ten at-large members. The ex-officio members are the Senior Vice President for Finance and Business/Treasurer/Chief Financial Officer, as Chairperson of PSIC, the Chief Investment Officer, Office of Investment Management, the Chair of the Board of Trustees, and either the Chair or Vice Chair of the Finance and Investment Committee, as appointed by the Chair of the Board of Trustees. In addition, the Board of Trustees appoints eight to ten at-large members who shall not be employees of the University, three of whom shall be voting or emeritus members of the Board of Trustees. At-large members of PSIC serve for three-year staggered terms and are limited to a maximum of three (3) three-year terms.



Current Penn State Investment Council

Ex-Officio Members:

- Joseph M. Cullen, Chief Investment Officer
- David Kleppinger, Chair Penn State Board of Trustees
- Robert Beard, Chair of the Finance and Investment Committee of the PSU Board of Trustees
- Sara F. Thorndike, Senior Vice President for Finance and Business/Treasurer/Chief Financial Officer

Terms Expiring December 31, 2026:

- Barbara L. Doran, Emerita Member PSU Board of Trustees
- J. Alex Hartzler
- J. David Rogers

Terms Expiring December 31, 2027:

- Blake Gall
- Joseph B. Markovich
- Brandon D. Short, PSU Board of Trustees

Terms Expiring December 31, 2028:

- Randy E. Black, PSU Board of Trustees
- James P. Brandau
- Colleen Ostrowski



Reappointment Resolution

It is proposed to re-appoint Barbara L. Doran, J. Alex Hartzler, and J. David Rogers, non-university employees, to the Penn State Investment Council with terms currently expiring December 31, 2026, to new three-year terms expiring December 31, 2029.

Will the Board of Trustees adopt the following resolution:

RESOLVED, That Barbara L. Doran, J. Alex Hartzler, and J. David Rogers, each non-university employees, be, and each hereby are, re-appointed to the Penn State Investment Council to serve for a term of three years commencing on January 1, 2027, and expiring on December 31, 2029.



Reinstatement Resolution

Will the Board of Trustees adopt the following resolution:

WHEREAS, the Board of Trustees previously adopted and approved the University's LTIP Spending Policy and the Investment Policies for LTIP and Non-Endowed Funds (the “Policy”);

WHEREAS, the officers of the University have recommended to Board of Trustees that the Policy be amended and restated to address both the Long-Term Investment Pool and the Intermediate Term Investment Pool;

WHEREAS, the recommended changes to the Policy are set forth in Exhibit A and the amended and restated Policy is set forth in Exhibit B, both of which are set forth hereinbelow;

NOW, THEREFORE, BE IT RESOLVED, that the amendment and restatement of the Policy, as set forth on the attached Exhibit B be, and hereby is, authorized and approved.

FURTHER RESOLVED, that the authorized officers of the University be, and each of them hereby is, authorized and directed, in the name and on behalf of the University, to take or cause to be taken any and all such other actions as any of such officers so acting deems necessary or appropriate to effectuate the foregoing resolutions.



Exhibit A

AMENDMENT AND RESTATEMENT PROPOSED AMENDMENT AND
RESTATEMENT OF THE INVESTMENT POLICY FOR THE UNIVERSITY'S
LONG-TERM INVESTMENT POOL (~~"LTIP"~~) SPENDING POLICY") AND
THE ~~INTERMEDIATE TERM~~ INVESTMENT POLICIES FOR POOL ("ITIP,"
together with LTIP AND NON-ENDOWED FUNDS ("NEF"), the
"Investment Pools")

~~WHEREAS, The Board of Trustees~~ 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") on November 6, 1986, adopted a resolution
regarding the University's Endowment Spending and Investment
Policies for Endowment and General University Funds and
subsequently approved revisions to such policies on March 18,
1995; July 12, 1996; September 8, 2000; November 22,
2002; November 19, 2004; May 18, 2007; September 11, 2009;
September 17, 2010; May 12, 2014; November 13, 2020;
February 17, 2023, ~~and~~ July 18, 2025 and September 18, 2026;
and

WHEREAS, ~~The Officers~~ the officers of the University have
recommended ~~amending to~~ Board of Trustees and the Committee
on Finance and ~~restating~~ Investment that it is in the best interests
of the University that such policies Policy be amended and restated
the Investment Policy for the University's Long-Term Investment
Pool ("LTIP") and Intermediate Term Investment Pool ("ITIP,"
together with LTIP, the "Investment Pools") as presented to the
Board of Trustees at this meeting and as hereinafter set forth.

NOW THEREFORE, BE IT RESOLVED, ~~That that~~ the
University's LTIP Spending University's Investment Policy and for
the Investment ~~Policies for LTIP and Non-Endowed Funds~~
~~are~~ Pools, hereinafter the "Policy" is hereby amended and
restated in ~~their~~ its entirety as follows, and hereby is authorized,
approved and declared to be in the best interests of the
University:



(I) The Penn State Investment Council ("PSIC"), shall consist of four *ex-officio* members and eight to ten at-large members. The *ex-officio* members shall be the Senior Vice President for Finance and Business/Treasurer, as Chairperson of PSIC, the Chief Investment Officer, of the Office of Investment Management, the Chair of the Board of Trustees, and either the Chair or Vice Chair of the Committee on Finance and Investment Committee, as appointed by the Chair of the Board of Trustees. In addition, the Board of Trustees shall appoint eight to ten at-large members who shall not be employees of the University, three of whom shall be voting or emeritus members of the Board of Trustees. At-large members of PSIC shall serve for three-year staggered terms and shall be limited to a maximum of three (3) three-year terms. At-large members of PSIC first appointed after the date of this resolution shall serve for one-, two- or three-year terms as set ~~forth in~~ forth in a separate resolution of the Board of Trustees. Thereafter, any such member may serve for a maximum of two additional three-year terms. At-large members of PSIC as of the date of this resolution may be reappointed by the Board of Trustees for a maximum of two additional three-year terms.

(II) PSIC is hereby authorized to implement and administer the ~~spending and LTIP investment policies~~ Policy hereinafter adopted by the Board of Trustees and to report as requested concerning the same to the President of the University and to the Committee on Finance, ~~Business,~~ and ~~Capital Planning/Investment~~ of the Board of Trustees. In such administration, PSIC may delegate ~~appropriate~~ functions to ~~properly designated~~ University Officers and other University personnel as deemed necessary and appropriate by PSIC.

(III) In order to preserve the purchasing power of LTIP, spending and distributions to cover University expenses over time should be limited to a percentage of the market value of LTIP, set at a level anticipated to preserve over time LTIP's real (inflation-adjusted) value after consideration of investment returns, while providing for growth of the LTIP base sufficient to accommodate an assumed rate of inflation and attain intergenerational equity.



~~(IV) LTIP should be invested to attempt to achieve a real (inflation-adjusted) total return over time sufficient to support a spending rate limited in accordance with (II) above, while providing for growth of the LTIP base sufficient to accommodate an assumed rate of inflation.~~

~~(IV) A primary investment attribute to be employed in managing the LTIP~~Each of the Investment Pools shall be prudent diversification achieved through flexible yet disciplined implementation of a mix of investments and strategies.

~~(V) The specific construction of the portfolio~~portfolios for each of the Investment Pools with regard to strategies employed and managers utilized will be determined by, and under the overall supervision of PSIC, which shall be guided by its written ~~Investment Policies, Objectives and Guidelines. Investment processes and results investment objectives and guidelines implementing the Policy.~~ PSIC shall ~~be carefully monitored by PSIC to monitor results and ensure compliance with such policies, objectives, and guidelines implementing the Policy.~~

~~(VI) To acknowledge and reaffirm the University's existing practices with its ongoing and future investment policies and strategies, be it resolved: the University's funds will be invested in in each of the Investment Pools to achieve maximuma return consistent with an acceptable degree of riskthis Policy with respect to each of the Investment Pools.~~ Within the context of its fiduciary responsibilities, PSIC may continue to take social and environmental considerations into account in the administration of the ~~University's investments~~ each of the Investment Pools.

~~(VII) NEF should be invested to provide liquidity for working capital over the annual operating cycle of the University, and to serve the interim and longer-term needs of the University for plant renewal and replacements, debt service and capital additions. NEF will be invested in a manner that emphasizes capital preservation and meets the cash flow requirements of future University liabilities, while achieving modest growth in the principal value to accommodate future inflation. The specific construction of the NEF portfolio(s) with regard to strategies employed and managers utilized will be determined by, and under the overall supervision of, the Office~~



~~of Investment Management ("OIM"), which shall be guided by written Investment Policies, Objectives and Guidelines approved by the Senior Vice President for Finance and Business/Treasurer. Investment processes and results shall be carefully monitored by OIM to ensure compliance with such policies, objectives, and guidelines.~~

~~(VIII) Long-term assets approved for commingling with LTIP by the Board of Trustees will follow LTIP policies overseen by PSIC.~~

FURTHER RESOLVED, that the Senior Vice President for Finance and Business/Treasurer/Chief Financial Officer and the Chief Investment Officer of the Office of Investment Management (each, an "Authorized Officer," and together, the "Authorized Officers") be, and each of them with full authority to act without the other hereby is, authorized and directed, in the name and on behalf of the University to take or cause to be taken any and all such other actions on behalf of the University as each of the Authorized Officers so acting deems necessary or appropriate to effectuate any of the foregoing resolutions.



Exhibit B

AMENDMENT AND RESTATEMENT OF THE INVESTMENT POLICY FOR THE UNIVERSITY'S LONG-TERM INVESTMENT POOL ("LTIP") AND INTERMEDIATE TERM INVESTMENT POOL ("ITIP," together with LTIP, the "Investment Pools")

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") on November 6, 1986, adopted a resolution regarding the University's Endowment Spending and Investment Policies for Endowment and General University Funds and subsequently approved revisions to such policies on March 18, 1995; July 12, 1996; September 8, 2000; November 22, 2002; November 19, 2004; May 18, 2007; September 11, 2009; September 17, 2010; May 12, 2014; November 13, 2020; February 17, 2023; July 18, 2025 and September 18, 2026; and

WHEREAS, the officers of the University have recommended to Board of Trustees and the Committee on Finance and Investment that it is in the best interests of the University that such Policy be amended and restated the Investment Policy for the University's Long-Term Investment Pool ("LTIP") and Intermediate Term Investment Pool ("ITIP," together with LTIP, the "Investment Pools") as presented to the Board of Trustees at this meeting and as hereinafter set forth.

NOW THEREFORE, BE IT RESOLVED, that the University's Investment Policy for the Investment Pools, hereinafter the "Policy" is hereby amended and restated in its entirety as follows, and hereby is authorized, approved and declared to be in the best interests of the University:

(l) The Penn State Investment Council ("PSIC"), shall consist of four ex-officio members and eight to ten at-large members. The ex-officio members shall be the Senior Vice President for Finance and Business/Treasurer, as Chairperson of PSIC, the Chief Investment Officer of the Office of Investment Management, the Chair of the Board of Trustees, and either the Chair or Vice Chair of the Committee on Finance and Investment, as appointed by the Chair of the Board of Trustees. In addition, the Board of Trustees shall appoint eight to ten at-large members



who shall not be employees of the University, three of whom shall be voting or emeritus members of the Board of Trustees. At-large members of PSIC shall serve for three-year staggered terms and shall be limited to a maximum of three (3) three-year terms. At-large members of PSIC first appointed after the date of this resolution shall serve for one-, two- or three-year terms as set forth in a separate resolution of the Board of Trustees. Thereafter, any such member may serve for a maximum of two additional three-year terms. At-large members of PSIC as of the date of this resolution may be reappointed by the Board of Trustees for a maximum of two additional three-year terms.

(II) PSIC is hereby authorized to implement and administer the Policy hereinafter adopted by the Board of Trustees and to report as requested concerning the same to the President of the University and to the Committee on Finance and Investment of the Board of Trustees. In such administration, PSIC may delegate functions to University Officers and other University personnel as deemed necessary and appropriate by PSIC.

(III) In order to preserve the purchasing power of LTIP, spending and distributions to cover University expenses over time should be limited to a percentage of the market value of LTIP, set at a level anticipated to preserve over time LTIP's real (inflation-adjusted) value after consideration of investment returns, while providing for growth of the LTIP base sufficient to accommodate an assumed rate of inflation and attain intergenerational equity.

(IV) A primary investment attribute to be employed in managing the each of the Investment Pools shall be prudent diversification achieved through flexible yet disciplined implementation of a mix of investments and strategies.

(V) The specific construction of the portfolios for each of the Investment Pools with regard to strategies employed and managers utilized will be determined by, and under the overall supervision of PSIC, which shall be guided by its written investment objectives and guidelines implementing the Policy. PSIC shall carefully monitor results and ensure compliance with such objectives and guidelines implementing the Policy.



(VI) To acknowledge and reaffirm the University's existing practices with its ongoing and future investment policies and strategies, be it resolved: the University's funds will be invested in in each of the Investment Pools to achieve a return consistent with this Policy with respect to each of the Investment Pools. Within the context of its fiduciary responsibilities, PSIC may continue to take social and environmental considerations into account in the administration of the each of the Investment Pools.

FURTHER RESOLVED, that the Senior Vice President for Finance and Business/Treasurer/Chief Financial Officer and the Chief Investment Officer of the Office of Investment Management (each, an "Authorized Officer," and together, the "Authorized Officers") be, and each of them with full authority to act without the other hereby is, authorized and directed, in the name and on behalf of the University to take or cause to be taken any and all such other actions on behalf of the University as each of the Authorized Officers so acting deems necessary or appropriate to effectuate any of the foregoing resolutions.

2027-28 State Appropriation Request

Access, Affordability, and Appropriations

- Divided evenly among 41,000 PA resident undergraduate students, Penn State receives approximately \$5,863 (well below the national average).
 - By comparison, Temple University receives approximately \$11,159 per student, PASSHE receives \$10,209 per student, and the University of Pittsburgh receives \$8,827 per student.
- Yet, the average PA resident student pays approximately \$17,651 less at Penn State than their out-of-state counterparts.
- Penn State significantly amplifies the State's investment to make education more accessible and affordable.

Proposed 2027-28 State Appropriation Request

(\$ in thousands)

	<u>2026-27 Appropriation</u>	<u>Requested Increases</u>	<u>2027-28 Requested Appropriation</u>
General Support	\$242,096	\$0	\$242,096
Agricultural Research & Extension	57,710	6,000	63,710
Economic Development	2,350	650	3,000
Total Penn State (excl PSH/CoM & Penn College)	\$302,156	\$6,650	\$308,806
Penn State Health and the College of Medicine	17,050	-	17,050
Pennsylvania College of Technology	35,670	5,500	\$41,170
TOTAL APPROPRIATION	<u><u>\$354,876</u></u>	<u><u>\$12,150</u></u>	<u><u>\$367,026</u></u>

Proposed 2027-28 Performance Funds

(\$ in thousands)

	<u>2026-27 Appropriation</u>	<u>Requested Increase</u>	<u>2027-28 Requested Appropriation</u>
State-Related University Performance Fund	\$10,000	\$50,000	\$60,000
Penn State Allocation	\$4,483		TBD

2027-28 Budget Planning

- For our education mission, Penn State received \$242 million from the Commonwealth in 2026-27 and is requesting an increase to \$60 million for the State-Related University Performance Fund. Penn State would use the portion it receives of the performance fund for healthcare benefits, facilities, and modest faculty and staff compensation increases.
- To effectively support Pennsylvania agriculture and our food supply system, Agricultural Research and Penn State Extension is requesting an increase of \$6 million.
- Penn State is requesting \$3 million to strengthen and expand the LaunchBox & Innovation Network across Pennsylvania.

2027-28 Budget Planning

- Penn State Health Milton S. Hershey Center and the College of Medicine are requesting Medical Assistance funding of \$17.05 million to continue to educate students and deliver innovative programs.
- Penn College is requesting an increase of \$5.5 million for in-demand programs that are needed by employers across the Commonwealth.

Resolution

RESOLVED, That the officers of the University (the “Officers”) are authorized and directed, in the name and on behalf of the University, to submit to the Legislature of the Commonwealth of Pennsylvania, and any other appropriate departments and offices of the Commonwealth of Pennsylvania, a State Appropriation Request for fiscal year 2027-2028 in the amount of \$367.026 million and \$60.0 million for the State-Related University Performance Fund.

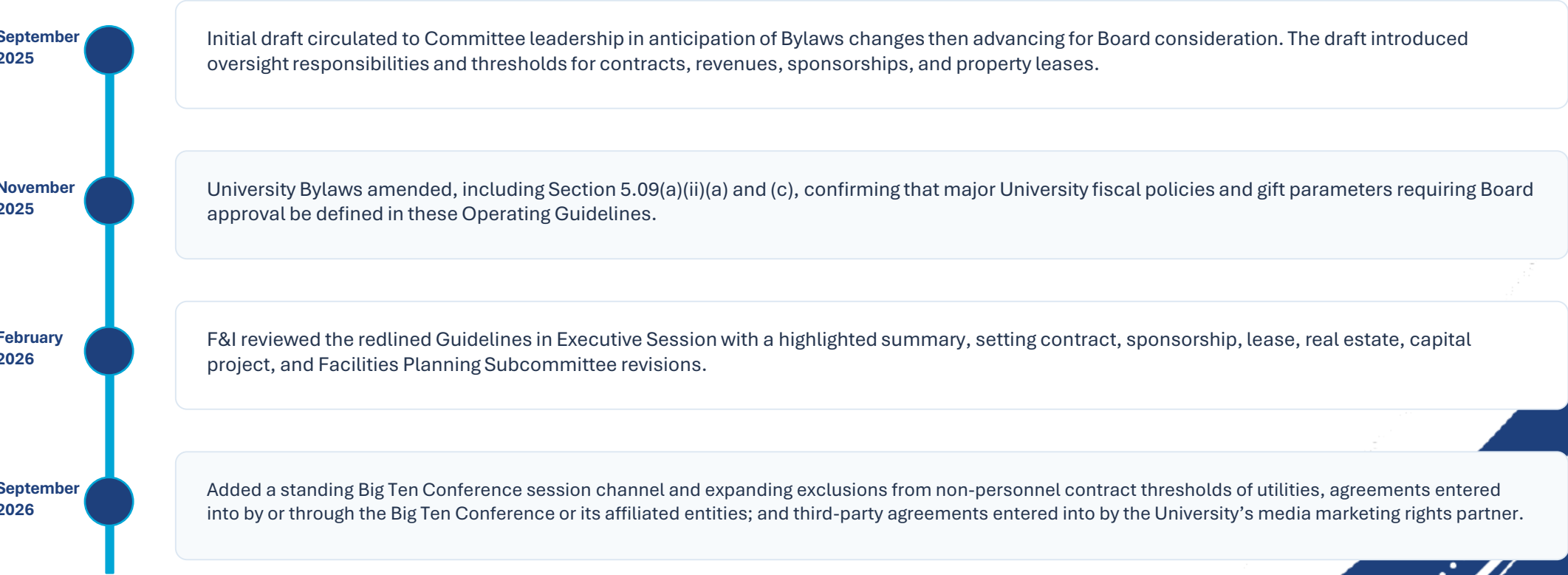
FURTHER BE IT RESOLVED, that the officers of the University (the “Officers”) be, and each of them with full authority to act without the others hereby are, further authorized and directed, in the name and on behalf of the University, to take or cause to be taken any and all such other actions as any of the Officers so acting deems necessary or appropriate to make effective the foregoing resolutions.

Finance & Investment Operating Guidelines



PennState

How these revisions have developed



Summary of Changes

Additional oversight

- Non-personnel contracts for goods and services, revenues, and sponsorships were not previously named in the Committee's purview. The revisions add them explicitly and set dollar thresholds.

Exclusions: construction contracts; utilities; subawards through sponsored grants and contracts managed by Office of Sponsored Programs; corporate and individual gift contracts managed by University Development; contracts executed by the Applied Research Lab; contracts executed by the Office of Investment Management; agreements entered into by or through the Big Ten Conference or its affiliated entities; third party agreements entered into by the University's media marketing rights partner.

- Add property leases.
- Receive informational updates on significant athletic conference business matters.

Real estate sales

Real estate sale trigger uses MAI appraised value rather than sale price alone.

Facilities Planning Subcommittee

The Facilities Planning Subcommittee's cadence is tied to PDRB so capital projects are shared with Committee at each gate. Subcommittee also receives State of Physical Plant.

Housekeeping

Duplicative and obsolete items are removed, and reporting language is standardized.



Resolution

Will the Board of Trustees adopt the following resolution:

RESOLVED, That the Operating Guidelines for the Finance and Investment Committee as presented are approved.



Proposed Real Estate Purchase Option Exercise, Penn State University Park



Penn State University Park
331 Innovation Blvd.
State College, PA 16803

September 2026





Will the Board of Trustees adopt the following resolutions:

WHEREAS, at an executive session meeting of the Committee held on September 17, 2026, the Finance and Investment Committee (the “Committee”) of the Board of Trustees (the “Board”) of The Pennsylvania State University (the “University”) received a presentation summarizing the material terms and conditions of the University’s proposed exercise of a purchase option (the “Purchase Option”) granted pursuant to that certain Lease Agreement dated September 26, 2016, as amended, by and between the University and GLP 331 IP, LLP (the “Lease”) and the resulting acquisition of the building leased and located at 331 Innovation Blvd., College Township, Centre County, Pennsylvania (Parcel 19-003-,110-,,004-), together with all improvements, from GLP 331 IP, LLP, at the fair market value purchase price as determined in accordance with the terms of the Lease (the “Proposed Transaction”);

RESOLVED, That the proposed material terms and conditions of the Proposed Transaction are hereby approved, and the officers of the University are hereby authorized and directed to exercise the Purchase Option; and



FURTHER RESOLVED, that each of the President and the Senior Vice President for Finance & Business/Treasurer/Chief Financial Officer of the University (each, an “Authorized Officer” and collectively, the “Authorized Officers”), be, and hereby is, authorized and directed, to negotiate and agree to any other additional or revised terms and conditions of the Proposed Transaction as in the judgment of the Authorized Officers, or any one of them, shall be necessary, advisable or appropriate and in the best interest of the University to effectuate the Proposed Transaction; provided, that the Authorized Officers will review any material additional or revised terms and conditions with the leadership of the Board (consisting of the Chair and Vice Chair of the Board, and the Chair and Vice Chair of the Committee) (hereinafter, the “Board Leadership”); and

FURTHER RESOLVED, that the Authorized Officers be, and each of them, with full authority to act without the others, hereby is, authorized and directed, in the name and on behalf of the University, to prepare, negotiate, execute, deliver, and perform such other agreements, consents, assignments, instruments, applications, reports, filings, tax returns, certificates and other documents that may be necessary to complete the Proposed Transaction, and to take or cause to be taken any and all such other actions on behalf of the University as any of the Authorized Officers so acting deems necessary or appropriate.