

## MINUTES OF MEETING

**BOARD OF TRUSTEES**

VOLUME 270

March, 2013

A meeting of the Board of Trustees was held in Room 302 of the University Fitness and Conference Center, Penn State Milton S. Hershey Medical Center, at 1:30 p.m. on March 15, 2013.

The following Trustees were present: Masser (chairman), Deviney (vice chairman), Alexander, Allan, Arnelle, Broadhurst, Clemens, Cotner, Dambly, Eckel, Erickson, Frazier, Greig, Hayes, Hintz, Huber, Khoury, Lubert, Lubrano, McCombie, Myers, Peetz, Shaffer, Silvis, Strumpf, Suhey, Taliaferro, and Tomalis; and Trustees Emeritus/a Coppersmith, Robinson, and Wolff; and Branstetter.

Present by invitation were faculty representatives Backer, Yarnal, and Hufnagel; student representatives Clark, Fisher, and Lennartz; ALC chair, David Hall; and staff members Basso, DiRaimo, Dunham, Foley, Gaudelius, Gray, Hall, Kirsch, Mulroy-Degenhart, Pangborn, Paz, Poole, Sims, and Weidemann.

Chairman Masser had the following remarks:

"Good afternoon, everyone. I am delighted that we're at the Penn State Milton S. Hershey Medical Center for our meeting today. This area has been my home for nearly my entire life; my family's home and my business are just 40 miles north of Hershey. I have seen, first-hand, the benefits of having a leading Medical Center and College of Medicine so close to our community. And, as a member of the Board of Directors at the Medical Center, I see the vital role this institution plays in our University and the Commonwealth. This operation is at the center of life-saving care and well-being, world-class research and clinical application, and unparalleled dedication to patients and families. Spending time on this campus serves as an inspiration for all.

"To that end, on behalf of the Board of Trustees, I wish to extend my deepest congratulations to everyone involved with THON. Beyond the record total raised--\$12.4 million, the students involved in this effort exemplify the very best of Penn State. When I hear Penn State students speak so enthusiastically about their work for kids, I feel their optimism for the future and I'm grateful for the opportunity to contribute to their efforts. I have also been gratified to see the student engagement moving to elementary and middle schools throughout the state, with MiniTHONs, which now contribute about \$1.5 million to the overall effort. President Erickson will have more to say about THON during his remarks."

Chairman Masser then thanked Dr. Harold L. Paz, Senior Vice President for Health Affairs; Dean, College of Medicine; Chief Executive Officer, for hosting the Board meeting and called upon him for his remarks.

Dr. Paz welcomed everyone to the Penn State Milton S. Hershey Medical Center and Hershey, Pennsylvania.

Chairman Masser welcomed University Faculty Senate Officers Larry Backer, Brent Yarnal, and Pam Hufnagel; Student Representatives Ben Clark, Wanika Fisher, and Courtney Lennartz; and Academic Leadership Council Chair David Hall. Chairman Masser noted that this would be the final meeting of the student and faculty senate representatives to the Board, and thanked all for their service; each of the student representatives were invited to make a brief statement to the Board.

Following the statements provided by the student representatives, Chair Masser also welcomed the Constituent Representatives to Board committees: Roger Egolf, Ginny Hosterman, Crystal Hubler, and Katelyn Mullen.

Chairman Masser continued with the following remarks:

"Before proceeding with the day's business, I wish to update you on a few new and ongoing initiatives.

"There's an old adage that says, *'May you have the misfortune to live in interesting times.'* Indeed, these are interesting times, and they're not over yet. We're moving forward with the presidential search, and last month took the important step of naming the executive search firm that will assist us in attracting the most qualified candidates. Isaacson, Miller, with offices in Boston, Washington, D.C., and San Francisco, was selected for a number of reasons, in particular for their emphasis on a collaborative approach with the community. They also have an excellent track record in searches of this kind. The firm plans to begin the process by reaching out to the University's many constituents through public forums, focus groups and an online Presidential Search website. Just launched, this site will allow the Penn State community to communicate directly with Isaacson Miller. There will be links to submit nominees, suggestions and feedback throughout the process. This information will be considered during the development of a position profile and identification of appropriate candidates. The web address is [www.presidentialsearch.psu.edu](http://www.presidentialsearch.psu.edu). In addition, Isaacson Miller will work closely with the Trustee Presidential Selection Council and the Presidential Search and Screen Committee, which is chaired by Nan Crouter, Dean of the College of Health and Human Development. Both of these committees will also be soliciting feedback, and I urge everyone to stay abreast of the developments.

"Last month I was privileged to attend the Hershey Winter Academy, which was held in Naples, Florida. This annual event offers alumni and friends the opportunity to hear from outstanding physicians, scientists and scholars, who highlight new initiatives and medical innovations. This year was exceptionally well attended, and the presentations were fascinating. Particularly notable was Dr. Paz's presentation on disruptive innovations and the future of medicine. It was a great presentation among many, and it was very well received. I was also encouraged and impressed by the level of commitment of our alumni, donors and friends. Their service and financial support are essential for furthering the work underway at the Medical Center and College of Medicine. I was delighted to be able to represent Penn State at this annual gathering.

"I was also pleased to join Dr. Pangborn at the announcement of the Governor's budget proposal. Although we're hopeful that the legislature and the Governor will find additional funding for higher education, we're pleased the recommendation doesn't include the level of cuts we have seen in recent years. Rod did an excellent job representing our interests during the House and Senate Appropriation Hearings, and we will continue the discussions with the legislators in the weeks ahead.

"Later this afternoon, Jim Broadhurst will report on the Governance and Long-Range Planning Committee's initial discussion of Board reforms as suggested by the Freeh Report, the Auditor General and more recently the University Faculty Senate's Special Committee on University Governance. I encourage everyone to stay with us to hear that important report.

"One final note: on April 2nd, Rod will be honored with the second annual 'Way Pavers' Award,' which is being given by Penn State's Council of College Multicultural Leaders. The purpose of the award is to honor individuals, from the University as well as the surrounding community, who have contributed to supporting diversity initiatives, which have positively enhanced student life and the climate throughout the community, while maintaining a high level of character and leadership. To quote his nominator, *'President Erickson is a champion for diversity at the University and supports the work of multicultural leaders in the academic colleges.'* Please join me in congratulating Rod on this well-deserved honor!"  
[Applause]

It was voted to approve the minutes of the meeting of the Board held on January 18, 2013.

### **President's Report**

Dr. Erickson's report is included as follows:

"Thank you, Keith.

"And special thanks to Hal Paz, Senior Vice President for Health Affairs and CEO of the Penn State Hershey Medical Center, and the many faculty, staff, and students, who have been so welcoming and helpful throughout our Board visit. Holding our March meeting on this campus has become an annual tradition, and one that reflects the strong connections the Medical Center and College of Medicine have within our University and the Commonwealth. One of the most visible reminders of our connection is through THON, which was held last month.

"Often when we talk about THON, we recount the numbers--15,000 students involved in a 46-hour event; helping 2,000 families; a record-breaking \$12.4 million raised this year; more than \$100 million raised since 1977. But the Four Diamonds Fund and THON are really about the individual stories of courage, resilience, inspiration, and ultimately hope. It's an honor to spend time with our Four Diamonds families and to see the progress made possible through medical science. It's also an honor to spend time with the physicians, researchers and many medical professionals who care for these families. As one former THON overall chair said, *'We set our sights, not on the money, but on helping the kids.'* Thank you to everyone who has contributed their support to this incredible event.

"As you know, we are in the midst of what feels like an unprecedented number of searches for senior positions at Penn State. I'm heartened by the many top notch individuals vying for the positions, and to hear their enthusiasm for Penn State's mission. Today, I'm pleased to introduce two such individuals.

"Beginning April 1st, Regis Becker will begin as the University's first Director of Ethics and Compliance. Regis comes to Penn State from PPG Industries, where he served as the Chief Compliance Officer. In this position, he coordinated the multifaceted compliance program at a \$15 billion global company with 40,000 employees and manufacturing operations in 38 countries. He also managed the PPG Crisis Response Unit. Previously, Regis managed investigative functions at Union Carbide Corporation, and he served as a special agent with the FBI. Regis earned a Bachelor of Science in Law Enforcement at Penn State, an MBA at Western Connecticut State University and a J.D. at Duquesne University School of Law. Regis, would you please stand and be recognized? [Applause]

"Thank you.

"I also want to introduce Julie Del Giorno, who will be Penn State's first athletics integrity officer. Julie will be responsible for the development, implementation and oversight of policies and practices within the Department of Intercollegiate Athletics that ensure compliance and ethical conduct. Julie comes to Penn State from Moravian College and Moravian Theological Seminary, where she served as chief of staff and as the senior administrator with athletic oversight for the college's NCAA Division III Athletics program. Previously, she held coaching and administrative positions at the University of Central Arkansas and the U.S. Military Academy at West Point. From 1986 to 1995, Julie served as a commissioned officer in the U.S. Army, and was honored for her service during combat operations with the U.S. Army's Bronze Star Medal. Julie earned a Bachelor of Science degree from the U.S. Military Academy and an MBA from the University of Central Arkansas. Julie, would you please stand to be recognized? [Applause]

"Thank you.

"This is the time of year when we expect a degree of budget uncertainty based on the state appropriation deliberations. This year, however, the greater uncertainty is the matter of sequestration, which will affect our federal research funding and some of our student aid programs, such as the Work Study Program. The main question is how much? And we won't know that answer for some time, but it could be in the \$30-\$40 million ballpark, with our most research-active colleges, including the College of Medicine, and the Applied Research Lab experiencing a disproportionate share of the impacts. In the meantime, we're concentrating on making our case for improved future funding to our state legislators. I was pleased to represent Penn State's interests at the House and Senate appropriations hearings in late February, and to have the opportunity to discuss funding for the agricultural research and cooperative extension lines and other special needs. It was clear that the legislators are deeply concerned with affordability as well as completion rates.

"For Penn State students who begin their studies at University Park, the average time-to-degree is 4.2 years and the 6-year graduation rate is 87 percent. Given that 62 percent of our Commonwealth Campus students work more than 22 hours a week on average, or complete their degree at another college or University, it is understandable that those graduation rates are lower and hover around 55 percent. Last year, we held tuition to the lowest increase in 45 years, and I've committed to the Governor and leadership of the General Assembly that we will have another modest increase next academic year.

"As I do at each meeting, I'll provide a brief admissions update. Margaret Mead said, *'Always remember that you are absolutely unique. Just like everyone else.'* I bring up that quote, because it so aptly applies to this year's class of applicants. They are unique--or at least compared to prior years. First, the high school class of 2013 seems to be applying to fewer places, and notably, they're settling on a school somewhat earlier. Consistent with this trend, our applications for admission are down about nine percent compared to last year, but our yield rate, that is, students who have accepted and have submitted their deposits, continues to track ahead of last year. University Park is up three percentage points in yield, and the Commonwealth Campuses are up one percentage point. International applications continue to show double digit increases, and the yield rate is up compared to last year for this entering cohort as well. All in all, the incoming class is very strong, and the total number of students who have committed to Penn State is virtually identical to last year. The quality of the applicants is also consistent with past years.

"Hal will be discussing the College of Medicine in his remarks, but it's noteworthy that applications to the Penn State College of Medicine are up five percent. The new crop of students will be taking the place of our graduating medical students, who earlier today attended the Match Day Ceremony to learn where they'll serve their residency. If you see any smiling and relieved medical students today, be sure to offer your congratulations.

"This year, the World Campus celebrated its 15th anniversary. Launched with just 41 students in five academic programs in 1998, today the World Campus has nearly 12,000 fully online students in more than 90 programs. It has also seen five straight years of double digit enrollment growth, and a number of awards for excellence in academic programming. Most recently Penn State's World Campus launched its first online graduate nursing degree. We can expect additional innovative programming to come.

"A related new initiative is Penn State's foray into MOOCs--Massive Open Online Courses through Coursera. We're testing the waters with five courses, led by an engaging and intellectual group--among them Richard Alley, Peter Hudson, Andrew Read and Anna Divinsky. Penn State's initial offerings range from Art to Energy to Entrepreneurship, and the response has been overwhelming. About 45,000 students have already enrolled, with nearly 1,000 more signing up each day. Our goal with this MOOC initiative is to advance key University priorities, including showcasing faculty expertise, testing innovative learning strategies, engaging with communities around the world and attracting students to continue their education at Penn State, either in-person or online. In addition, MOOCs offer high school students an opportunity to pre-shop for college majors and provide existing students with a way to supplement their learning. You too can become a *'coursarian'* as the students call themselves. To register, visit [www.coursera.org](http://www.coursera.org).

"Penn State has also given our web presence a facelift with a graphically appealing, more user friendly new interface. It's the first major redesign in more than a decade. The new design was led by University Relations and IT Communications, and involved representatives from across the University. I urge you to explore the site; and to visit [news.psu.edu](http://news.psu.edu), formerly called *Live*. Kevin Mooroney, Vice Provost of Information Technology, and Cindy Hall, Interim Chief Marketing officer in University Relations led the effort. Cindy is with us, so please join me in recognizing her for her excellent work. [Applause]

"The talents of Penn State students were on full display this spring. In February, we held the 7th annual Penn State President's Concert at the National Presbyterian Church in Washington, D.C. It is always remarkable to see the same students who shuffle along our campus walkways in cargo pants and t-shirts transform into virtuoso performers to rival many professionals. The beautifully executed concert featured the Penn State Concert Choir, Symphonic Wind Ensemble, Baroque Ensemble, Brass Ensemble, a marimba duo and a piano soloist. Pipe organ accompaniment was provided by internationally acclaimed organist William Neil, a 1966 Penn State alumnus and 2011 Penn State Alumni Fellow.

"Penn State College of Communications students were also in the spotlight when their weekly newscast was named the best in the nation. Two students also captured first-place in individual categories in the prestigious Broadcast Education Association Festival of Media Arts, a nationwide competition honoring the best in faculty and student-produced media.

"Not to be outdone, four Smeal College of Business students recently returned from the Marshall International Case Competition with a third-place trophy-the highest position of all participating American universities. The Smeal team, led by case team director Andy Gustafson, Assistant Professor of Business Administration, included marketing major Devin Weakland, actuarial science and economics major Benjamin Pugh, accounting and finance major Nicholas Fakelmann, and supply chain and information systems major Samantha Jarmul. Professor Gustafson said, *'Nick, Devin, Ben and Samantha were not only great competitors, but also great ambassadors for Penn State.'*

"Employers have taken note of our students' abilities, and more than 300 employers have signed up for Penn State's Spring Career Days, which will be held in the Bryce Jordan Center on March 20 and 21. The employers will be hiring for internship, full-time and co-op positions. This is part of our continuing commitment to helping our students successfully navigate the transition from college to career.

"Each year, many Penn State students choose to begin their professional life with organizations like Teach for America or the Peace Corps. This year, the Peace Corps ranked Penn State alumni among the nation's top collegiate volunteers. With 55 undergraduate alumni serving overseas and working in fields such as agriculture, education, environment, health, community economic development and youth development, Penn State is number 21 on the Peace Corps' 2013 rankings of colleges and universities in the large school category.

"This academic year, Penn State student-athletes won seven Big Ten Championships, which is a Penn State record! And earlier this month, eight Penn State teams were ranked in the Top 10 nationally in their respective sports. Among those leaders were the Nittany Lion wrestlers, ranked number one throughout the year. They lived up to that billing once again, winning their third straight Big Ten Championship. Head coach Cael Sanderson has now won three Big Ten crowns in his four years at Penn State. As a matter of fact, since taking over the program, Cael and his staff are a perfect 13 and 0 in coaching Big Ten Tournament Finals matches! The Nittany Lions will next head to Des Moines, Iowa, for the 2013 NCAA Wrestling Championships on March 21-23. Penn State will be looking to win its third straight NCAA title.

"Congratulations go to the Lady Lions, who are the back-to-back Big 10 regular season champions. Maggie Lucas was selected as the 2013 Big Ten Player of the Year as well as for this year's First Team Big Ten All-Tournament team. Next for the Lady Lions is the NCAA Tournament. The selection show is slated for Monday, so we can look forward to more great basketball in the days to come.

"After an outstanding indoor season, the Nittany Lion men's track team finished ninth at the NCAA Indoor Championships. This is a young team, and with runners like freshman Brannon Kidder and sophomore Robby Creese, also known as '*Creese Lightning*.' We can expect to see more outstanding performances in the next several years.

"Earlier this month, Coach Bill O'Brien and the 2012 football senior class were honored by the Maxwell Football Club as the Club's College Coach of the Year and Spirit Award recipients, respectively. You'll be able to get a first look at this year's team on Blue-White Weekend, which is set for April 19-21, with kickoff at noon on Saturday. Numerous events will be held during the weekend to showcase our student athletes, including the 2013 NCAA Men's Gymnastics Championships in Rec Hall. In addition, the Penn State baseball, field hockey, men's golf, softball, men's tennis, women's tennis and men's volleyball teams will also be competing at home during Blue-White Weekend. I hope you'll join us.

"In development news, we're making the final push to meet the ambitious \$2 billion goal in '*For the Future: The Campaign for Penn State Students*.' We are continuing to stay ahead of schedule for achieving our goal, and we have made significant progress in annual giving over the last year. Penn State staff and students have been particularly supportive in the annual giving effort, and they deserve our sincerest appreciation. The number of alumni donors to the Annual Fund is on pace with last year, and the dollars raised are running 21% ahead of last year through the end of February. The largest single goal of '*For the Future*' has been to raise money for student scholarships. Already we've raised \$100 million in scholarship endowments through the Trustee Matching Scholarship Program. But we're reaching higher. To provide an additional incentive for giving, we're now offering an even greater incentive to help students in need. As of this month, the Trustee Matching Scholarship Program offers a 10% annual match for new endowed gifts, doubling the additional funds available for students. Of note is a recent \$2 million gift from Gene and Roz Chaiken. They already have made the dreams of a Penn State education possible for more than 150 Liberal Arts students through a Trustee Scholarship they created five years ago. But with growing financial challenges facing students and their families, the Chaikens decided to establish one of the first Trustee Scholarships to earn a 10% annual match from the University. Gene and Roz have been active volunteers and lead donors to the College of the Liberal Arts and Penn State for many years. Gene served on the Penn State Board of Trustees for several years and is a member of the University's Leadership Gifts Committee and an emeritus member of the Liberal Arts Development Council.

"I'll conclude my remarks with some photos from a fall Photojournalism class in the College of Communications. [Slides shown]

"Now I'll be happy to take your questions."

President Erickson received questions or comments concerning:

- Compliance comparisons with other universities
- Rising costs of higher education; affordability
- Expenses related to ongoing litigation and the expansion of compliance efforts
- The globalization of Penn State in higher education

#### **Update on The Milton S. Hershey Medical Center**

Harold L. Paz, M.D., Senior Vice President for Health Affairs, Dean, College of Medicine, and Chief Executive Officer, the Penn State Milton S. Hershey Medical Center provided an update on the medical center. [Video shown]

### **Reports from Standing Committees**

Chairman Masser advised that committees will be called into session to consider any action items. Committees will take action if necessary, however, the full Board will not be asked to consider committee recommendations until the Public Expression session has concluded.

#### **A. Committee on Academic Affairs and Student Life**

A quorum of the Committee on Academic Affairs and Student Life was present with the following members in attendance: Alexander (chair), Khoury (vice chair), Erickson (ex-officio), Deviney, Hayes, Masser (ex-officio), McCombie, Taliaferro, and Tomalis.

Chair Alexander reported that since the last meeting, the Committee had an opportunity to receive an informational presentation on the University's Global Programming initiatives from Vice Provost Michael Adewumi; and an update on 2013 State Patty's Day town and gown initiatives designed to limit incidents of dangerous drinking and vandalism. Vice Chair Khoury provided additional information about the history of State Patty's Day and social media tracking of the event.

The Committee on Academic Affairs and Student Life recommended that the Board of Trustees approve the following resolution:

1. RESOLVED, That the Board of Trustees approves President Rodney A. Erickson's appointment of Susan Basso as Vice President for Human Resources effective immediately.

Following the Public Comment session the Board voted to approve the action item as recommended by the Committee on Academic Affairs and Student Life.

The Committee received the following items for information:

1. Information on Undergraduate Programs
  - a) Bachelor of Science in Agroecology in the College of Agricultural Sciences: Phase-out of Major
  - b) Bachelor of Science in Horticulture in the College of Agricultural Sciences: Phase-out of Major
  - c) Agricultural and Biological Engineering Minor to Biological Engineering Minor in the College of Engineering: Change in Name
2. Daniel Notterman, M.D., Vice Dean for Research and Graduate Education, and James R. Broach M.D., Chair, Department of Biochemistry and Molecular Biology and Director of the Institute for Personalized Medicine presented information on Personalized Medicine. [Video/slides shown]

#### **B. Committee on Audit and Risk**

A quorum of the Committee on Audit and Risk was present with the following members in attendance: Eckel, Erickson (ex-officio), Lubert, Masser (ex-officio), Peetz (vice chair), and Strumpf.

The Committee on Audit and Risk recommended that the Board of Trustees approve the following resolution:

1. WHEREAS, The Pennsylvania State University owns and controls liquor license H-4730 issued by the Pennsylvania Liquor Control Board for use at the Nittany Lion Inn; and

WHEREAS, the Pennsylvania Liquor Code authorizes the Pennsylvania Liquor Control Board to issue Off-Premises Catering Permits to holders of a hotel liquor license to sell, subject to certain conditions, alcoholic beverages at places other than the locations where the licenses are located; and

WHEREAS, The Pennsylvania State University desires that all service of alcoholic beverages at authorized events sponsored by the various clients, colleges and departments be done in full compliance with law employing the highest standards of care by beverage professionals.

THEREFORE BE IT RESOLVED, that an application for an Off-Premises Catering Permit be filed with the Pennsylvania Liquor Control Board on behalf of the Nittany Lion Inn; and

FURTHER BE IT RESOLVED, that David J. Gray, Senior Vice President for Finance & Business/Treasurer and/or Joseph J. Doncsecz, Corporate Controller is/are authorized to execute the applications and any other papers required by the Pennsylvania Liquor Control Board, and to take such other actions as may be required in connection with the applications.

Following the Public Comment session the Board voted to approve the action item as recommended by the Committee on Audit and Risk.

**C. Committee on Finance, Business and Capital Planning**

Chair Strumpf reported that a quorum of the Committee on Finance, Business and Capital Planning was present with the following members in attendance: Strumpf (chair), Silvis, (vice chair), Clemens, Cotner, Dambly, Erickson (ex-officio), Hintz, and, Masser (ex-officio).

Chair Strumpf reported that since the last meeting, the Committee had the opportunity to receive updates regarding 1) the Data Center, 2) the Freeh Report recommendations, 3) upgrades of the Penn State radio communication system, 4) the upgraded student information system, and 5) the work of the Subcommittee on Human Resources.

The Committee on Finance, Business and Capital Planning recommended that the Board of Trustees approve the following resolutions:

1. RESOLVED, That the conditions governing certain existing scholarships, fellowships, awards, and similar funds previously established at the University be revoked and that the Officers of the University are authorized to put into effect the revised regulations as requested by the donors.
2. RESOLVED, That the Board of Trustees gratefully acknowledges the generous contributions of the many friends of the University in support of endowments, funds, and other major commitments as reported to the Committee on Finance, Business and Capital Planning at its meeting of January 18, 2013.  
  
FURTHER BE IT RESOLVED, That the Officers of the University are authorized to convey the Board's appreciation to these generous benefactors who provide opportunities for many students to receive a quality education.
3. RESOLVED, That the new residence hall in the South Halls Complex at University Park is named "Chace Hall."
4. RESOLVED, That the Officers of the University are authorized to employ the firm of Moody Nolan, Inc. of Columbus, Ohio as architects for the future phases of the Intramural Building Expansion at University Park.
5. RESOLVED, That the Board of Trustees approves the acquisition of the property containing 3.12 acres located at 3110 Research Drive, State College, Ferguson Township, Center County, Pennsylvania, from Torron Group, L.P. for \$3,648,000.

BE IT FURTHER RESOLVED, That the Officers of the University are authorized and directed to take such steps as are necessary to make effective this resolution.



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

[See Appendix I]

7. RESOLVED, that the officers of the University are authorized to make effective Penn State's joining the Center County Radio Communication System, as well as to make improvements to the Ford Building to accommodate the System's on-campus needs, and acquire portable and mobile radios for University use for an amount of \$5,600,000.

Following the Public Comment session the Board voted to approve the action item as recommended by the Committee on Finance, Business and Capital Planning.

The Committee received the following items for information:

1. Arboretum Children's Garden, University Park
2. Atherton Hall Bathroom Renovations, University Park
3. East Residence Halls Parking and Service Area Rehabilitation, University Park
4. Parking Lot Reconstruct, Penn State Beaver
5. Ground Floor Radiology Fit Out - Phase C, The Penn State Milton S. Hershey Medical Center
6. Naming of Rooms, Portions of Buildings and Plazas
  - a) Name the art gallery in the Conference Center (Room 201) at Penn State Great Valley in recognition of a commitment from Joseph and Marilyn Henry. The recognition plaque will read: *Joseph and Marilyn Henry Gallery*
  - b) Change the name of a space in the Penn State Harrisburg Library at the request of the donor, Mrs. Linda Schwab, from the *Schwab Family Holocaust Reading Room* to the *Linda Schwab Holocaust Reading Room*
  - c) Name a faculty office (Room 127) in the Carnegie Building for deceased faculty member Jeanne L. Hall in recognition of memorial gifts donated in her memory. The recognition plaque will read: *127 Jeanne L. Hall Faculty Office In Memory of Jeanne L. Hall*
7. Purchase of Property at 222-224, 226-230, and 232-236 East Wopsononock Avenue, Penn State Altoona
8. Status of Major Construction Programs and Borrowing
9. Investment Review of Endowment and Similar Funds
10. Summary and Designation of Gifts Received by the University
11. The presentation of photo report on the progress of selected construction projects was deferred from the agenda, although it was made available following the meeting to those wishing to view it.

**D. Committee on Governance and Long-Range Planning**

Chair Broadhurst noted that a quorum of the Committee on Governance and Long-Range Planning was present with the following members in attendance: Broadhurst (chair), Arnette, Clemens, Eckel, Erickson (ex-officio), Masser (ex-officio), Myers, and Shaffer.

Chair Broadhurst reported that since the last meeting, the Committee has met and reviewed the following items: 1) proposed revisions to University governance documents; 2) proposed slate of candidates for election to the Executive Committee; 3) proposed format for reporting Board meeting expenses; and 4) Senate hearing discussions scheduled for next week. Chair Broadhurst reviewed governance changes that have been made during the past year including the restructure of Committees; refinements of term limits; inclusion of constituent representation; and opportunities for public expression at Board meetings. Additionally, there is ongoing discussion related to the method of selection and composition of members of the Executive Committee; definition of Trustee qualifications; further refinements of term limits; reimbursement; conflicts of interest; method of communication; redefinition of the President's duties; changes to the voting status of ex-officio members (President and Governor); and expansion of matters which should come before the Board including the University's Right-to-Know Law reports and annual Clery Act reports.

Proposed changes to the *Charter, Bylaws, and Standing Orders* were outlined. Principal matters that were not addressed by the Committee are further refinements to the size and composition of the Board at this time other than the change in voting status for the Governor and the President.

There were no recommendations for action to present to the Board of Trustees.

**E. Committee on Legal and Compliance**

Chair Eckel reported that a quorum of the Committee on Legal and Compliance was present with the following members in attendance: Eckel (chair), Lubert, (vice chair), Deviney, Erickson (ex-officio), Frazier, Greig, Masser (ex-officio), and Taliaferro.

Chair Eckel reported that since the last meeting, the Committee has met with the Athletics Integrity Officer and Director of Ethics and Compliance. University Counsel Stephen S. Dunham provided a brief report on the progress of the implementation of the Athletic Integrity Agreement. Additionally, the Committee was pleased with the findings in Senator Mitchell's second report.

Committee member, Trustee Kenneth C. Frazier reviewed the terms of engagement of Freeh, Sporkin, and Sullivan as independent counsel to the Special Investigations Task Force.

There were no recommendations for action to present to the Board of Trustees.

**F. Committee on Outreach, Development and Community Relations**

Chair Dambly noted that a quorum of the Committee on Outreach, Development and Community Relations was present with the following members in attendance: Dambly (chair), Suhey, (vice chair), Allan, Deviney, Erickson (ex-officio), Huber, Lubrano, Masser (ex-officio), and Silvis.

Chair Dambly reported that since the last meeting, the Committee received an update from Cindy B. Hall, Interim Chief Marketing and Communications Officer on University branding initiatives. Other items of discussion/information included 1) the current University advertising campaign; 2) development of a University jobs panel comprised of leaders from business and industry; 3) updates to University websites; 4) Advisory Board visits at Commonwealth Campuses; 5) revisions to the contract with Edelman; and 6) Alumni Association updates.

There were no recommendations for action to present to the Board of Trustees.

**Public Comment**

Ten speakers were present to share their views and visions for the enhancement of Penn State:

1. Matthew Langdon, an alumnus of the University, spoke to items related to the Board's Committee on Governance and Long-Range Planning with respect to governance reforms, specifically, the number of seated Trustees.
2. Thomas Donchez, an alumnus of the University, spoke to the process of healing and the need to move forward collectively.

3. Mickey Shuler, an alumnus of Penn State, shared his views regarding the culture of Penn State and the NCAA sanctions.
4. Robert Leiby, an alumnus of Penn State, spoke to the need for the University to focus on the future and continue to move forward.
5. Wendy Silverwood, an alumna of Penn State, spoke to the engagement, scope, and contract of the firm of Freeh, Sporkin & Sullivan; the findings of the Freeh Report and the manner in which the report was released to the public.
6. Philip LaPorta, an alumnus of the University, encouraged the Board to act with honesty, integrity, and to move the University forward.
7. Daniel Wallace, an alumnus of Penn State, spoke to items related to the Board's Committee on Governance and Long-Range Planning with respect to the Auditor General Wagner's recommendations and Board structure.
8. Jason Kramer, an alumnus of the University, provided comments related to the University moving forward.
9. Johan Zwart, a resident of State College, proposed a reduction in natural gas use by the University.
10. Tara Merry, an alumna of the Penn State, spoke about the election of the Board's Executive Committee and the need to continue moving the University forward.

#### **Informational Report on The Corporation for Penn State**

A report on the activities of The Corporation for Penn State was available and Dr. Rodney A. Erickson, President and Chief Executive Officer of the Corporation was available for questions.

#### **Election of Members of The Executive Committee**

Chairman Masser reported that the election of members of the Executive Committee had been deferred from the January meeting so that the results of the January elections were reflected in the proposed membership. Additionally, the Committee on Governance and Long-Range Planning has had discussions regarding the proposed composition of the Executive Committee and will bring forward amendments to the government documents for approval at the May meeting of the Board.

It was voted by the Board to elect thirteen (13) members to the Executive Committee for 2013. Ballots were distributed and counted. The following were elected to the Executive Committee for 2013: Marianne E. Alexander, James S. Broadhurst, Mark H. Dambly, Stephanie N. Deviney, Keith W. Eckel, Rodney A. Erickson, Kenneth C. Frazier, Edward R. Hintz, Jr., Ira M. Lubert, Keith B. Masser, Karen B. Peetz, Linda B. Strumpf, and John P. Surma.

#### **Election of Directors of The Corporation for Penn State**

The Board of Trustees voted to adopt the following resolution:

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

Marianne E. Alexander  
James S. Broadhurst  
Mark H. Dambly  
Stephanie N. Deviney  
Keith W. Eckel  
Rodney A. Erickson

David J. Gray  
Edward R. Hintz, Jr.  
Keith E. Masser  
Robert N. Pangborn  
Harold L. Paz  
Linda B. Strumpf

**Announcements by the Chairman of the Board of Trustees**

The meeting adjourned at 5:40 p.m.

Respectfully submitted,

Paula R. Ammerman  
Associate Secretary  
Board of Trustees

## Proposed Room and Board Rates

Schedule 1

*The Pennsylvania State University*  
*Effective Fall 2013*

### Undergraduate Residence Hall Room Rates/Person/Semester (Meal Plan Required)

Room Description	Number of Occupants	Current Rate	Proposed Rate	Proposed Increase
Standard Double	2	\$2,455	\$2,595	\$140
Standard Double/Bath	2	2,625	2,780	155
Standard Double/Air Conditioning	2	n/a	2,780	
Small Double	2	1,830	1,940	110
Triple	3	2,200	2,330	130
Triple/Bath	3	2,455	2,595	140
Quad	4	2,200	2,330	130
Quad/Bath	4	2,455	2,595	140
Quad as Triple	3	2,455	2,595	140
Standard Single	1	3,335	3,530	195
Standard Single/Bath	1	3,390	3,590	200
Eastview Small Single/Bath	1	3,815	4,030	215
Eastview Single/Bath	1	4,255	4,495	240
Eastview Large Single/Bath	1	4,530	4,810	280
RA Rate	1	1,625	1,725	100
Standard Double Suite	2	2,890	3,060	170
Standard Double Suite as Triple	3	2,455	2,595	140
Standard Single Suite	4	3,365	3,565	200
Double Suite	2	3,110	3,285	175
Single Suite	1	4,125	4,370	245

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

Single occupancy of rooms intended for double occupancy will be priced at 25% more than the double occupancy rate for that room type.

## Proposed Room and Board Rates Continued

Schedule 2

*The Pennsylvania State University*  
*Effective Fall 2013*

### University Park Nittany Apartment Rates/Person/Semester\*

Room Description	Number of Occupants	Current Rate	Proposed Rate	Proposed Increase
2 Bedroom Garden	4	\$2,965	\$3,140	\$175
4 Bedroom Garden	4	3,335	3,530	195
4 Bedroom Townhouse	4	3,450	3,655	205

*\*Room rate includes utilities.*

### Erie, Behrend Apartment Rates/Person/Semester\*

Room Description	Number of Occupants	Current Rate	Proposed Rate	Proposed Increase
2 Bedroom Garden	4	\$2,965	\$3,140	\$175

*\*Room rate includes utilities.*

### Harrisburg Apartment Rates/Person/Semester\*

Room Description	Number of Occupants	Current Rate	Proposed Rate	Proposed Increase
Apartments-Bedroom Single	4	\$3,540	\$3,750	\$210
Apartments-Bedroom Double	6	3,115	3,300	185
Apartments-Bedroom Triple	9	2,805	2,970	165

*\*Room rate includes utilities.*

## Proposed Room and Board Rates Continued

Schedule 3

*The Pennsylvania State University*  
*Effective Fall 2013*

### University Park Graduate Family Apartment Rates/Month\*

Room Description	Number of Occupants	Current Rate	Proposed Rate	Proposed Increase
White Course 1 Bedroom	N/A	\$970	\$990	\$20
White Course 2 Bedroom	N/A	1,105	1,130	25
White Course 3 Bedroom	N/A	1,255	1,270	15
White Course 3 Bedroom w/Half Bath	N/A	1,255	1,280	25

*\*Room rate includes utilities.*

### University Park Graduate Apartment Rates/Person/Month\*

Room Description	Number of Occupants	Current Rate	Proposed Rate	Proposed Increase
White Course 4 Bedroom Apartment	4	\$770	\$795	\$25

*\*Room rate includes utilities.*

### Board Plan Rates/Semester

Meal Plan	Dining Dollars	Current Rate	Proposed Rate	Proposed Increase
Plan 1	\$650	\$1,895	\$1,945	\$50
Plan 2	735	1,980	2,030	50
Plan 3	795	2,040	2,090	50
Plan 4	905	2,145	2,200	55
Plan 5	985	2,225	2,280	55
Plan 6	1,155	2,390	2,450	60

**UNIVERSITY MANOR APARTMENTS**

**CURRENT vs. PROPOSED MONTHLY RENTAL RATES**

<u>Type Occupancy</u>	<u>No. Units</u>	<u>Current Rates Per Apt.</u>	<u>Proposed Rates Per Apt.</u>	<u>Amount Increase</u>
<b>University Manor East</b>				
1 Bedroom (with Washer/Dryer)	24	\$ 878	\$ 890	\$ 12
2 Bedroom (with Washer/Dryer)	208	\$ 1,026	\$ 1,046	\$ 20
3 Bedroom (with Washer/Dryer)	16	\$ 1,146	\$ 1,174	\$ 28
<b>University Manor West</b>				
4 Bedroom (furnished) *	31	\$ 2,044	\$ 2,092	\$ 48

\* NOTE: Proposed monthly increase per bedroom is \$12