

271-1  
MINUTES OF MEETING  
**BOARD OF TRUSTEES**  
VOLUME 271  
May 3, 2013

A meeting of the Board of Trustees was held in Deans Hall of The Penn Stater Conference Center Hotel, University Park, Pennsylvania, at 1:30 p.m. on May 3, 2013.

The following Trustees were present: Masser (chairman), Deviney (vice chairman), Alexander, Allan, Arnelle, Broadhurst, Clemens, Cotner, Dambly, Erickson, Greig, Hintz, Huber, Khoury, Lubert, Lubrano, McCombie, Myers, Peetz, Shaffer, Silvis, Strumpf, Suhey, Surma, and Tomalis; and Branstetter.

Present by invitation were faculty representatives Kulikowich, Laman, and Yarnal; student representatives Alexander, Miller, and Rager; staff members Ammerman, Basso, DiRaimo, Dunham, Foley, Gaudelius, Gray, C. Hall, D. Hall, Hanes, Kirsch, Mulroy-Degenhart, Pangborn, Poole, Sims, and Weidemann.

Chairman Masser opened the meeting with the following remarks:

"Good afternoon and welcome. It's a pleasure to be on campus for commencement weekend, and I'd like to extend a special welcome to the faculty, students and families, who will be recognized during Dr. Erickson's report.

"In keeping with the spirit of recognition, I'd like to begin by acknowledging three individuals, who have ably served Penn State with vision, enthusiasm and steadfast dedication. First, I'd like to call Karen Peetz to the podium. Karen has worked tirelessly, and I do mean without sleep, to guide us through perhaps the most difficult period in Penn State's history. Her contributions as chair will improve our governing capabilities and strengthen our university.

"Karen, we would like to express our deep appreciation for your leadership and commitment to Penn State, and for your steady guidance to this Board during your tenure as chairman. As a token of our appreciation, I wish to present you with a gavel; a tradition that began when former Trustee Barbara Hackman Franklin presented a gavel to then Chairman Walt Conti.

"With it came her wish that, and I quote, 'it be used to begin and end each meeting with a flourish, my hope that disorder would never be cause for its use, and my great appreciation and affection to the Board and to Penn State.' Since then, a gavel has been presented to each chairman. Please join me in recognizing Karen Peetz. [Presentation of gavel and certificate. Applause.]

"Thank you.

"Now, will Paula Ammerman, director of the Board of Trustees, please join me? Since 1992, Paula has served the Board with a level of dedication that is unrivaled. Our ability to accomplish the important work of this University is a credit to her many organizational skills, relentless attention to detail, and willingness to take on any task, large or small, day or night-- be it on a workday, weekend or her vacation-- although I'm not sure Paula ever took a vacation!

"Paula begins her well-deserved retirement on July 1st, and I hope she looks back on her 35-year career at Penn State with pride and the satisfaction of a job well done. Paula, please accept this mantel clock as a symbol of your time at Penn State. [Presentation of clock. Applause.]

"You will be greatly missed, but know that we wish you the very best during every minute of your retirement. Please join me in recognizing Paula Ammerman. Thank you.

"At the March meeting, the Board approved the appointment of Susan Basso as Vice President for Human Resources. Time ran short, so Susan would you please join me now? Congratulations on your promotion, and thank you for your significant efforts to align Penn State's Human Resources department with the best practices of our peer institutions. Would you care to say a few words? [Basso comments and applause.]

"Before I turn things over to Rod for his president's report, I wish to very briefly update you on a few items. First, the presidential search. We are making significant progress in this early stage, including the completion of the Blue & White Vision Council report, which is now available online. Karen Peetz will discuss the report and provide a more complete update on the search later this afternoon.

"I do wish to note that I had the opportunity to attend the Alumni Council meeting, where the presidential search was central to the agenda. I was greatly encouraged by the lively discussion of the Council, and the members' interest in contributing to the process. I also spoke with council members on a number of other issues related to Penn State and governance. It was a productive meeting, and it's my hope that the Alumni Council will serve as a conduit for communication with the larger alumni base.

"I also enjoyed celebrating the accomplishments of 11 young alumni at the Alumni Achievement Dinner. It was an incredible group, with achievements that seem well beyond their years. It made me feel very proud to be a Penn Stater.

"Last month I was honored to participate in the Mount Nittany Society dinner, which recognizes our most generous supporters-supporters who are helping continue Penn State's traditions of excellence and opportunity. The Board was well represented in the group, along with many Penn State faculty members and friends. This support is critical, and on behalf of the Board, I wish to thank everyone who is making a difference in this important way.

"Finally, I want to share my experience at the recent Association of Governing Boards meeting. AGB is the leading association for academic governance, and the meeting was exceptionally informative. Most significantly, in talking with peer institution trustees, I was heartened to learn that they are looking to Penn State for best practices in governance, structure and organization.

"We will continue this path forward, as we share our work with our colleagues at other colleges and universities."

Chairman Masser welcomed the recently elected University Faculty Senate Officers, Brent Yarnal, Jonna Kulikowich, and Jeffrey Laman; student representatives Jalon Alexander, Katelyn Mullen, and Scott Rager; Academic Leadership Chair David Hall; and constituent representatives Roger Egolf, Ginny Hosterman, Crystal Hubler, Molly Droelle, and Kay Salvino.

It was voted to approve the minutes of the meeting of the Board held on March 15, 2013.

### **President's Report**

Dr. Erickson's report is included in its entirety:

"Thank you, Keith. I, too, want to begin by thanking Paula Ammerman for her 35 years of service to Penn State. Her vast knowledge, strong work ethic and organizational skills have helped guide this board through thick and thin. Penn State is better for her efforts, and we wish her the best in retirement. Thank you Paula.

"On July 1st, we'll be welcoming a new provost and executive vice president, pending Board approval later today. Nicholas Jones, the Benjamin T. Rome Dean of the Whiting School of Engineering at Johns Hopkins University, was selected in a nationwide search led by a 17-member search advisory committee, with assistance by executive search firm Isaacson, Miller. Nick has won several teaching awards, has an outstanding record of research, and is a gifted administrator. He will be a great addition to Penn State.

"With Nick's arrival, Rob Pangborn will be able to return to doing just one job--vice president and dean for undergraduate education. Over the past year and a half, Rob has juggled responsibilities as provost and continued to work closely with Admissions to ensure that Penn State brings in the best possible class.

"He has launched innovative initiatives, such as the Provost Awards program, and stepped up efforts to convert accepted students to paid accepts. Rob is a great colleague and dedicated Penn Stater, and through his efforts we expect an exceptional incoming class. Please join me in thanking Rob for his service. [Applause.]

"Today I have the most accurate snapshot of our incoming class to date. Wednesday, May 1st was the deadline for accepting admissions offers at University Park; although the Commonwealth Campuses will continue to accept applications throughout the summer. You have heard that applications for admissions have been down compared to past record years--about eight 8 percent overall and 9 percent for baccalaureate applicants.

"Given the smaller applicant pool, and the fact that we didn't want to lower the standards for admission, we made about 9 percent fewer offers University-wide this year--about 4,200 less than last year. As it turned out, 'Less is more.'

"Despite making fewer offers, baccalaureate paid accepts are up University-wide by 667 students, or 4 percent compared to last year. University-Park paid accepts are up by 523, or 6 percent compared to last year. Paid accepts for the campuses are up by 144 from last year, or a 2 percent increase.

"As is the case every year, the Commonwealth Campuses are continuing to accept students so this number will grow.

"Despite the smaller applicant pool, the yield rates on offers of admission to both University Park and the campuses are up by 5 percentage points, which equates to a 15 percent increase in yield. After unusually robust years, applications for graduate school are down modestly, while medical school applications are up 5 percent.

"In addition, baccalaureate minority paid accepts are up by 1 percent at both University Park, and the Commonwealth campuses, excluding international students. Schreyer Honors College paid accepts are identical to last year.

"I want to emphasize that the quality of the entering class-- as measured by high school GPA and SAT scores--is very similar to the entering cohort in previous years.

"Also noteworthy is the fact that we have just over 2,000 paid accepts for the summer at University Park. This will be an all-time high for summer starts by first-year students. We have added additional capacity to LEAP, our very successful summer Learning Edge Academic Program, featuring paired entry-level courses. This will take some of the pressure off the colleges that are responsible for delivering foundation courses in the fall--a big help given the very robust first-year class we are expecting.

"Penn State's successful effort to attract a strong entering cohort this year reflects the special efforts in recruiting, including increased institutional scholarship support, marketing campaigns in the Philadelphia and Pittsburgh regions, and additional student receptions, open-houses and high school visits. Dr. Pangborn and the entire admissions staff should be commended for going above and beyond to recruit this special class. Let's give them all a round of applause. [Applause.]

"This weekend, we will be saying goodbye to nearly 13,000 graduating students University-wide. During our spring commencement ceremonies, Penn State will award 590 associate degrees; 10,251 baccalaureate degrees; 1,237 master's degrees; 191 doctoral degrees; 142 medical degrees; and 241 law degrees.

"Commencement is one of the most joyous occasions on our campuses, and one of the most memorable experiences for our graduates and their families. On behalf of our graduates, I wish to thank our Trustees who will be authorizing the granting of degrees in each of the respective ceremonies.

"Now, I'd like to take a few minutes to celebrate some of the recent achievements of our faculty, students and staff. It has been a productive semester, and we've prepared video with a few of the highlights. Let's watch it now. [Video shown: <http://www.psu.edu/feature/2013/05/01/making-difference>]

"A few of the people in the video are here today, so I'd like to introduce them now.

"Will Stephen Pianovich please stand? The College of Communications has repeated as the national champion in the intercollegiate writing competition of the William Randolph Hearst Foundation's Journalism Awards Program. The competition, often called 'the Pulitzers of college journalism,' is in its 53rd year, and is open to the nation's 106 nationally accredited journalism-mass communication programs.

"Back-to-back national championships are a remarkable achievement, and Penn State's top finishers are Stephen Pianovich, Savannah Smith and Brittany Horn. Savannah and Brittany were unable to be here today, but please join me in congratulating Stephen for his first place finish in breaking news. [Applause.]

"Will the two students from THON please stand? Here today is the Overall Chairperson for THON 2013, Will Martin, as well as Ryan Patrick, the Executive Director for THON 2014. Congratulations, Will, on last year's incredible success, and all the best to Ryan, as you lead THON 2014. Please join me in recognizing our THON captains. [Applause.]

"The Nittany Lion Wrestling team captured their third straight national championship, and Quentin Wright and Ed Ruth were named individuals champions as well. I'm pleased that Quentin and Ed could be here today, as well as several others from the team. Would our wrestlers please stand? In addition to their dominance on the wrestling arena, this group is renowned for their academic achievements. Fifteen members of the team were honored with Academic All-Big Ten awards for achievement in the classroom.

"Now, I'd like each of you to introduce yourself, giving your name, year, major and hometown. I ask that trustees and our audience hold your applause until the last student speaks. [Self introductions and applause.]

"Thank you and congratulations! We appreciate you coming today.

"I also want to note the accomplishment of freshman Trevor Howard, the gymnast who had such an impressive landing in the sequence during the national championships. The men's team had a strong performance, but Trevor thrilled the audience with his floor routine when he became the first gymnast since 1963 to win a title on the floor exercise for Penn State.

"One final athletics note. Both the men's and women's lacrosse teams won regular season conference titles for the first time, which allowed them to continue in post-season play. The men's team is the No. 1 seed, and they play for the championship today at three o'clock. The women's team beat Vanderbilt last night, and will play in the Conference semi-final tonight at six-thirty. Best of luck to both teams!

"A familiar sight at athletic events, groundbreakings and around campus is the Nittany Lion. Rob Nellis, will you please stand? Rob has served as the Nittany Lion mascot for the past two years, while managing to earn two degrees--in mechanical engineering and nuclear engineering. His GPA is 3.73. After graduation he'll be heading to Philadelphia to be a systems integration analyst for Accenture. Please join me on congratulating Rob for his remarkable achievements in academics, athletics and Penn State spirit. [Applause.]

"Thank you. Penn Staters have a long and distinguished record of service to others, and this next student exemplifies that ideal. Will Michael Henry please stand? Mike is a Schreyer Honors Scholar graduating with a 3.87 GPA in immunology and infectious diseases. Mike is the co-founder of Penn State's Global Water Brigades, which works to give communities in developing countries access to clean water. He also served as the coordinator for Penn State's Business Brigades, Architectural Brigades and Human Rights Brigades.

"Mike was awarded a Fulbright to conduct research next year in Tanzania. Then he plans to attend Columbia University Medical School. Please join me in recognizing Mike Henry. [Applause.]

"This was a notable year for the arts at Penn State when the College of Arts and Architecture celebrated its 50th anniversary. One highlight of the celebration was the collaborative production of Leonard Bernstein's MASS, a complex undertaking that involved a cast of more than 300 performers. It was a phenomenal show, and one that will be remembered for years to come.

"This is also the time of year when the baton is passed in the Penn State Laureate Program. Kenneth Womack, associate dean for Academic Affairs and professor of English and integrative arts at Penn State Altoona, has been named 2013-14 Penn State Laureate. A prolific writer on both scholarly and general-audience topics, Ken is highly regarded as an expert on popular culture, most notably on the Beatles. He has authored or edited several volumes about the legendary British band, along with a number of nonfiction works including *The Mammoth Book of Movies* and *Made to Order: The Story of Sheetz*. He is also an award-winning novelist, and he has been recognized many times for excellence in teaching. Ken, can you please stand so you can be recognized? [Applause.]

"Last year, three faculty members from the College of the Liberal Arts were honored with Guggenheim Foundation Fellowships, and this year, Judith Kroll, distinguished professor of psychology, linguistics and women's studies, joins this distinguished group. This is a highly competitive award, with about 3,000 very accomplished applicants, and only 173 United States and Canadian Fellowships were granted.

"The few individuals I'm able to recognize during my report only begin to scratch the surface of our many award-winning faculty. This academic year alone nearly 100 faculty members were tapped for young career, mid-career and lifetime achievement awards, international research and teaching prizes, or were named fellows in elite professional societies. In fact, just this week, Katherine Freeman, professor of earth and mineral sciences, was elected to the National Academy of Sciences.

"Shown here are just a few of the organizations, but a round-up of all winners and recipients can be found in the report published annually by the Office of Research. These awards bring great honor to Penn State, and enhance our academic reputation.

"Equally important is the fact that they help us attract other top faculty. For example, we're currently conducting a cluster hire for our Institute for CyberScience that will advance the science of discovery through computational modeling and simulation and multi-modal data integration analysis. The Institute is filling eight new faculty positions to strengthen key areas of research and teaching, and we have received over 900 applications.

"The applicants are from the world's top universities, and new hires to date will be joining us from Harvard, UC-Berkeley, the University of Florida, University of Maryland, and the Perimeter Institute for Theoretical Physics. Under the leadership of Dr. Padma Raghavan, director of the Institute, the team will work to transform vast stores of data into new knowledge.

"Elsewhere across the University, our deans and chancellors say they are attracting very strong candidates for their faculty searches, and we're able to close the deals with our top choices in the vast majority of instances.

"Penn State has developed a particularly strong reputation as an institution where interdisciplinary research and teaching are encouraged and supported.

"An excellent example of our interdisciplinary research can be found in the Network on Child Protection and Well-Being, where another cluster hire is underway. According to the Network Chair, Dr. Susan McHale, the response to their targeted search has been excellent. Candidates range from neuroscientists to clinicians, and they hail from around the world. Twelve new faculty members will be hired over the next 3 years, with the goal of advancing

knowledge, practice, education and outreach to combat child abuse. The new faculty will work in concert with the Penn State Hershey Center for the Protection of Children at the Hershey Medical Center. The Center's current initiatives include clinical programs, research projects, and educational initiatives, many of which are characterized by a high degree of collaboration with other organizations and by a strong outreach component.

"From a Child Protection Team to The Look Out for Child Abuse website to a number of other educational initiatives, the Center has made measurable progress in establishing programs and initiatives to address the problem of child abuse, neglect, and maltreatment. We are committed to fulfilling our promise to fight child sexual abuse.

"In other news, it wasn't until last weekend that many of us needed to pull out the lawn mower--or golf clubs. So it's a fitting time to recognize the program that makes turfgrass and golf possible at the highest levels. Nine out of 10 golf courses worldwide use turfgrass varieties developed at Penn State, and for the first time, Penn State has produced all 3 superintendents for this year's U.S.-based major golf tournaments--the Masters, the U.S. Open; and the PGA Championship.

"I don't think there's a weed on those courses, although as we like to say around my yard, 'Weeds are flowers too, once you get to know them.'

"Penn State is fortunate that many of our top turfgrass alumni remain involved with our students and program.

"Finally, a few words about Development. As you know we're making the final push to meet the ambitious \$2 billion goal in *For the Future: The Campaign for Penn State Students*. We continue to outpace the schedule thanks to the leadership of campaign chair, Peter Tombros; senior vice president of development and alumni relations, Rod Kirsch; and his outstanding team.

"As we enter this final year of the campaign, the Office of University Development is looking to ensure that they're also prepared for the future. The Office will be undertaking a formal, strategic review of its programs that will focus upon organization structures, staffing levels, deployment of resources, program strategies, fundraising history and progress, and cost ratios within and across campus programs. This review will include benchmarking the University's programs against selected peers, as part of the effort to define best practices.

"The University has engaged Grezenbach, Glier and Associates, longtime philanthropic counsel to Penn State, to conduct this review over a six-month timeframe. The primary purpose of this study is to build a roadmap for future growth. It's the first comprehensive review of the Advancement program in 20 years. We look forward to the results.

"That concludes my remarks. I can take a few questions."

President Erickson received comments and questions concerning:

- Excellence in academics as well as athletics. President Erickson commented that excellence in both areas go hand in hand and reinforce one another.

### **Public Comment**

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

1. Robert Bannon spoke to the proposed changes to the *Charter, Bylaws, and Standing Orders*, and overall governance of the University.
2. William Cluck spoke to the proposed changes to the *Charter, Bylaws, and Standing Orders*.
3. Vincent Crespi spoke to the Committee on Outreach, Development and Community Relations.
4. Gordon De Jong spoke to academic excellence at the University.

5. Janet Engeman spoke to transparency.
6. Franco Harris asked to address legal arguments by Penn State.
7. Paul Ferrera offered his perspective on moving the University forward.
8. Jeffrey Goldsmith spoke to proposed changes to the *Charter, Bylaws, and Standing Orders*.
9. Brian Hand addressed the costs of rising tuition.
10. Herb Kunkle commented on the state of the University.

### **Reports from Standing Committees**

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

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

Chair Alexander reported that since the last meeting, the Committee had an opportunity to learn more about Project LionPATH, the new integrated student information system under review and design. Karen Schultz, the University Registrar, and Michael Busges, the Project LionPATH director, provided an overview of the multi-year project to replace ISIS, Penn State's current integrated student information system, which was designed and developed in the early 1980s.

The committee also heard a report from Brian Clark and Ted Timmerman from the Office of Veterans Programs, and Leslie Laing, from Adult Learner Services in Student Affairs, regarding Penn State's efforts to further the education of veterans.

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

1. RESOLVED, That the Board of Trustees hereby approves President Rodney A. Erickson's appointment of Dr. Nicholas P. Jones to the position of Executive Vice President and Provost of the University effective July 1, 2013.
2. RESOLVED, That the proposed change in name from the Department of Labor Studies and Employment Relations to the School of Labor and Employment Relations in the College of the Liberal Arts is approved effective immediately.
3. RESOLVED, That the proposal to proceed with separate accreditation for the Dickinson School of Law University Park Campus and Carlisle Campus is approved.

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

The Board voted to approve the action items 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 Animal Sciences to Bachelor of Science in Animal Science in the College of Agricultural Sciences: Change in Name
  - b) Minor in Information Sciences and Technology for Hotel, Restaurant and Institutional Management in the College of Health and Human Development and the College of Information Sciences and Technology: Phase-Out of Minor

**B. Committee on Audit, Risk, Legal and Compliance**

Chair Surma reported that a quorum of the Committee on Audit, Risk, Legal and Compliance was present with the following members in attendance: Surma (chairman), Peetz (vice chair), Masser (ex officio), Eckel, Lubert, and Strumpf.

There were no actionable items considered by the committee. Chair Surma reported that the following items were reviewed by the committee at its meeting on Thursday, May 2:

- Review of the June 30, 2012 Office of Management and Budget A-133 Reports;
- Review of the Audit Engagements for certain Penn State Subsidiary Corporations;
- Review of the June 30, 2013 External Audit Plan by Deloitte and Touche;
- Enterprise Risk Management Discussion;
- Review of Right-to-Know Information and IRS Form 990T; and
- Received Internal Audit Update.

**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 (chairman), Silvis (vice chairman), Erickson and Masser (ex officio); Clemens, Cotner, Dambly, and Hintz.

Chair Strumpf reported that since the last meeting, the committee received an update regarding the data centers.

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 May 3, 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 property commonly referred to as Higgins House at Penn State DuBois is named "Alan R. Fairman House."
4. RESOLVED, That the baseball field at Penn State Worthington Scranton is named "Matt McGloin Baseball Field."



5. RESOLVED, That pending adoption of a new budget to reflect clarification of the amount and form of the State appropriation, and subsequent decision regarding the amount of tuition charges, adjustments to salaries, wages, and employee benefits, and provisions for fuel and utilities and other cost increases, the Board of Trustees approves continuation for the interim period beginning July 1, 2013, total budget amounts at the level of the adjusted 2012-13 budget as follows:

	<b><u>University Park and Other Locations</u></b>	<b><u>College of Medicine</u></b>	<b><u>Pennsylvania College of Technology</u></b>	<b><u>Total University</u></b>
General Funds	\$1,752,569,000	\$112,789,000	\$98,457,000	\$1,963,815,000
Agricultural Federal Funds	21,248,000			21,248,000
Restricted Funds	557,265,000	90,000,000	15,584,000	662,849,000
Auxiliary Enterprises <sup>a</sup>	341,385,000	3,839,000	24,031,000	369,255,000
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Total	\$2,672,467,000	\$206,628,000	\$138,072,000	\$3,017,167,000
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Milton S. Hershey Medical Center				1,265,596,000
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Total Funds \$4,282,763,000

<sup>a</sup>Includes increase in room and board charges as approved by the Board of Trustees, March 15, 2013.

6. RESOLVED, that the contract with AccuWeather, Inc. to provide AccuWeather's SkyGuard Warning Services for all of the University's campuses beginning July 1, 2013 and ending June 30, 2014 at a cost of \$60,192 is approved.
7. RESOLVED, That the final plans for Hetzel Union Building Addition and Expansion at University Park, as designed by the firm of GUND Partnership of Cambridge, Massachusetts, are approved.
- FURTHER BE IT RESOLVED, That authorization to award contracts to construct the project be approved at a cost of \$44,600,000.
8. RESOLVED, That the approval is given to perform a wireless upgrade at all Pennsylvania State University campuses.
- FURTHER BE IT RESOLVED, That authorization to expend \$8,500,000 to upgrade wireless (WiFi) service at Penn State campuses be approved.

The Board voted to approve the action items as recommended by the Committee on Finance, Business and Capital Planning. [Trustee Joel Myers abstained from voting on Action C.6, above, due to a conflict of interest.]

The Committee received the following items for information:

1. Schwab Auditorium Renovations, University Park
2. Chambers Mathematics Education Laboratory Renovation, University Park

3. Packer Hall Electrical Rewire, University Park
4. White Building Air Conditioning, University Park
5. Energy Saving Program - Phase III, The Milton S. Hershey Medical Center
6. Pneumatic Tube Replacement - Phase I, The Milton S. Hershey Medical Center
7. Naming of Rooms, Portions of Buildings and Plazas
  - a. Name the Fitness Center in Rec Hall in recognition of a commitment from Jeff and Kellie Hepper. The recognition plaque will read: *"Clit and Jean Hepper Fitness Center"*
  - b. Name the Oil Drilling Lab (Rooms 30, 31, 32) in Hosler Building in recognition of a commitment from Chevron Corporation. The recognition plaque will read: *"Chevron Oil Drilling Lab"*
  - c. Name the HUB Auditorium (Room 117) located on the main floor in recognition of an estate gift received from the late John B. Freeman.
  - d. Name a patient exam room in the Hematology/Oncology Outpatient Pavilion in the Penn State Hershey Children's Hospital in recognition of a commitment from Shayne W. and Anne Beecher. The recognition plaque will read: *"Made possible by the generosity of The Beecher Family"*
  - e. Temporarily Name the Career Services Center, 106 Hiller Building, at Penn State DuBois the *"GKN Sinter Metals Career Services Center Penn State DuBois,"* during the three-year corporate sponsorship of the Center.
8. Status of Major Construction Programs and Borrowing
9. A special report on the West Campus Steam Plant Replacement was presented including a review of the rationale for conversion from coal to gas as well as a timeline of recent events. The proposed pipeline will increase the natural gas supply to Penn State's West Campus Steam Plant and is essential to the University's plan to convert the plant from burning coal to burning natural gas. The conversion is part of an overall University energy plan that includes measures to increase energy efficiency and decrease consumption. Penn State has succeeded in reducing its emissions of greenhouse gases by nearly 18 percent since 2006 and has a plan for an equivalent overall reduction over the next five years.

Columbia Gas, in consultation with Penn State's Office of Physical Plant, is continuing its re-evaluation of potential on-campus routes for a gas pipeline to supply the University's West Campus Steam Plant with fuel to aid in the conversion from burning coal to natural gas. The distribution gas line, to be installed by Columbia Gas, has been under scrutiny from local residents, who have expressed concern about a potential route through their neighborhood.

Campus routes were initially deemed unfeasible due to interferences with existing utilities. However, Penn State officials are committed to responding to residential concerns by re-assessing all options.

A photo report on the progress of selected construction projects was presented including South Halls Addition and Renovation - Phase 1, Old Main Renovations, and Biobehavioral Health Building at University Park.

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

Chair Broadhurst reported that a quorum of the Committee on Governance and Long-Range Planning was present with the following members in attendance: Broadhurst (chairman), Surma (vice chairman), Masser and Erickson (ex officio), Erickson and Masser (ex officio); Arnelle, Clemens, Myers, and Shaffer.

Chair Broadhurst reported that, in addition to the review and recommending of the action items below, the committee reviewed reports of meeting expenses for July and September 2012; discussed future agenda items including review of the records of trustees eligible for consideration as emeriti members, background checks for trustees, and a discussion of the placement of the annual meeting of the Board.

The Committee on Governance and Long-Range Planning recommended that the Board of Trustees approve the following resolutions:

1. RESOLVED, That the *Charter, Bylaws, and Standing Orders* of The Pennsylvania State University are amended as set forth in the appendix and presented at the meeting on May 3, 2013. (See Appendix I.)
2. RESOLVED, that the following individuals are appointed as members of the Board of Directors of The Milton S. Hershey Medical Center for a three-year term ending June 30, 2016:

James S. Broadhurst  
Mark H. Dambly  
Keith E. Masser

3. The Committee on Governance and Long-Range Planning recommends to the Board of Trustees election of the following as officers of the corporation:
  - 1) Secretary - Thomas G. Poole
  - 2) Associate Secretary - Janine S. Andrews, effective July 1, 2013

The Board voted to approve the action items as recommended by the Committee on Finance, Business and Capital Planning. [The approval of the above items reflects a negative vote by Trustee Anthony Lubrano regarding Action D.1.]

**E. Committee on Legal and Compliance**

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

There were no actionable items considered by the committee. Vice Chair Lubert reported that the following items were reviewed by the committee at its meeting on Thursday, May 2:

- Overview of University Ethics and Compliance Office;
- Update on the progress of implementation of the Freeh Report Recommendations;
- Athletic Integrity Agreement Implementation Update;
- Policy Development Update; and
- Privileged Discussion with Counsel.

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

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

There were no actionable items considered by the committee. Chair Dambly reported that the following items were reviewed by the committee at its meeting on Thursday, May 2:

- University Branding Update;
- Data/Evaluation of Pittsburgh/Philadelphia Ad Campaigns;
- Preview of President's Video;
- Topics for Next Report Out to Larger Data Base (governance changes and admissions);
- Penn State Research;
- Jobs Panel; and
- Establishment of Board of Trustees Email addresses.

### **Informational Report on the University Faculty Senate**

Larry C. Backer, Immediate Past Chair of the University Faculty Senate and the W. Richard and Mary Eshelman Faculty Scholar, Professor of Law and International Affairs, The Dickinson School of Law, provided a report on the activities of the University Faculty Senate for 2012-13.

### **Update on Presidential Search Process**

Karen B. Peetz, Chairman of the Trustee Presidential Selection Council, provided an update on the Presidential Search process. The firm of Isaacson Miller has sought input from multiple stakeholders through facilitated discussions such as the University's equity commissions, Student Leaders Roundtable, Faculty Senate leadership, Council of Campus Chancellors, Staff Advisory Council and the Executive Board of the Alumni Association. Additionally, forums have been held at Penn State campuses across the Commonwealth including University Park, Berks and Beaver.

Information gathered from these discussions provided important information in developing a position profile that will provide contextual information as they reach out to potential candidates. During a joint meeting one day earlier, members of both groups received a report to aid with the search and introduce candidates to the University. The 18-page "A Vision for Penn State: A Report of the Blue & White Vision Council" offers an overview of the University--its history, markers of achievement, academic configuration, governance and decision making structure--and explores the challenges, opportunities and strategies in the years ahead. The report can be found at [http://www.psu.edu/trustees/bwvc\\_report.pdf](http://www.psu.edu/trustees/bwvc_report.pdf).

As information regarding the search becomes available, updates will be posted to <http://presidentalsearch.psu.edu/>

### **Report on the Election of Trustees by Alumni**

The report of the election of Trustees by alumni was presented by Joel Myers (See Appendix II). It was reported that the following candidates, having received the highest number of votes cast, were elected to the Board of Trustees for a term of three years beginning July 1, 2013:

Barbara L. Doran  
William F. Oldsey  
Edward "Ted" B. Brown III

The report of the results of the election of Alumni Trustees was approved.

### **Report on the Election of Trustees by Agricultural Delegates**

The report of the election of Trustees by delegates from agricultural societies was presented by Chairman Keith E. Masser (See Appendix III). It was reported that the following candidates were elected by the respective societies to the Board of Trustees for a term of three years beginning July 1, 2013:

Keith W. Eckel  
M. Abraham Harpster

The report of the results of the election of Agricultural Trustees was approved.

### **Election of Trustees Representing Business and Industry Endeavors**

The Board of Trustees received the recommendation from the Selection Group on Business and Industry Trustees providing for the election of the following as members of the Board of Trustees representing business and industry endeavors for a three-year term beginning July 1, 2013:

Richard K. Dandrea  
Karen B. Peetz

The report of the results of the election of Business and Industry Trustees was approved.

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

Chairman Masser in his remarks:

- Congratulated Trustees Eckel and Peetz on their reelection to the Board; and
- Noted that this was the last meeting for several colleagues as Trustees, Stephanie Deviney, Sam Hayes, Paul Suhey, and John Surma. He thanked them for their tremendous dedication and loyal service to Penn State.

The meeting adjourned at 4:26 p.m.

Respectfully submitted,

Paula R. Ammerman  
Associate Secretary  
Board of Trustees