



PennState
Board of Trustees

Minutes of Meeting | November 9, 2018

MINUTES OF MEETING

BOARD OF TRUSTEES

VOLUME 309

November 9, 2018

A meeting of the Board of Trustees was held in Dean's Hall of the Penn Stater Hotel and Conference Center, University Park, PA, at 1:00 p.m. on November 9, 2018.

The following Trustees were present: Dambly (chairman), Schuyler (vice chairman), Amoros, Barron, Brown, Casey, Cotner, Dandrea, Delligatti, Detwiler, Dietrich, Doran, Fenza, Han, Harpster, Hartzler, Hoeschele, Hoffman, Jubelirer, Kleppinger, Lubert, Masser, Oldsey, Paterno, Pegula, Pope, Potts, Rakowich, Rapp, Redding, Rivera, Schneider, Short, Stanell, Steele, and Tribeck. The Governor's non-voting representative, Mr. Shipley, was also in attendance.

Present by invitation were Faculty Senate members Berube, Rowland, Seymour, Taylor, and Woessner; student representatives Carvajal, Heaton, McKinney, Pragg, and Winkler; representatives Hanes, Jacob, and Wagman; and staff members Andrews, Barbour, Bieschke, Bundy, Dunham, Gray, Guadagnino, Hanes, Hillemeier, Huston, Jones, Kubit, Lokman, Moore, Mulroy-Degenhart, Pangborn, Sims and Whitehurst.

Chair Dambly called the meeting to order and noted that the Board met in Executive Session earlier in the day to discuss various privileged matters. He called for a moment of silence in memory of the victims of the mass shooting at Trinity of Life Synagogue in Pittsburgh; and noted the passing of former Penn State football player Wally Triplett, the first African American to start for Penn State, as well as the first African American to be drafted and play in the NFL. He welcomed new Trustees Abe Amoros and Terry Pegula, and thanked Trustees Weinstein and Capretto, who recently completed their service on the Board. He announced the upcoming retirement of Vice President for Research, Neil Sharkey, and the appointment of the University's next Chief Ethics and Compliance Officer, Kenya Mann Faulkner. Finally, he reported on the University's many military appreciation events, including the Seats for Servicemembers program which provided complimentary football tickets to over 6,300 to active duty, guard, and reserve military, veterans, and fallen and gold star families.

Chair Dambly then introduced four student guests who shared presentations with the Board. Tom Beeby, Executive Director of the 2019 Class Gift Campaign, reported on this year's graduating class selection, an entry gate to the Arboretum Pollinator's Garden. Taylor Balliet, President of Harmony, a multidisciplinary performing arts club for young adults with, and without, special needs spoke about the organization, including its service and value to the community, and the expansion of Harmony's mission. Nick Pazuchanics, President of Penn State's Lion Ambassadors, spoke about the history of the organization, its membership, service to the campus, annual projects and events. Finally, Alondra Perez, President of the Penn State Chapter of Active Minds, reported on the organization's advocacy and empowerment of students to reduce the stigma surrounding mental health issues, and the goal of changing the conversation about mental health in order to increase awareness and suicide prevention.

Chair Dambly reported that on October 19, the *Timothy J. Piazza Antihazing Law* was signed into Pennsylvania law. Dr. Barron attended the signing, as did Jim and Evelyn Piazza. This law holds anyone accountable for behavior that places the safety and well-being of others in jeopardy. He then noted that President Barron was recently named to the Knight Commission on Intercollegiate Athletics, which focuses on supporting and strengthening the educational mission of college sports.

Janine Andrews, Associate Secretary of the Board, reported that all Trustees but Dunn and Wolf were in attendance. Chair Dambly noted that the number present for a quorum was satisfied and proceeded with the meeting.

Report on Audited Financial Statements

Associate Vice President for Finance and Corporate Controller, Joseph J. Doncsecz, provided comments about the University's Audited Financial Statements.

Recorded remarks are available at <https://bit.ly/2KQZ3r1>.

Action Items – Consent Agenda

Chair Dambly noted that Action Items presented in the Consent Agenda had been bundled for the sake of efficiency, but that each Trustee was entitled to request that any item be discussed and voted on individually. The Committee on Finance, Business and Capital Planning recommended that the Board of Trustees approve resolutions D and E. A motion to approve each of the following Action Items, A-E, was seconded and approved by the Board:

- A. Approval of the *Minutes* of the meetings of the Board held on September 14, 2018.
- B. Authorization to Confer Degrees

The President of the University, or designee, was authorized to confer degrees at the end of the 2019 Spring Semester, Summer Session, and Fall Semester upon those students who have completed at those times the necessary requirements.

- C. Proposed Date of Election of Trustees by Delegates from Agricultural Societies, by the Alumni, for Business and Industry, and At-Large

May 2, 2019 was approved as the date for the delegate election of agricultural trustees, and for counting of the ballots in the alumni election. May 3, 2019 was approved as the date for the election of business and industry, and at-large trustees.

- D. Proposed Appointment of an Architect, Taxiway A Rehabilitation, University Park Airport

RESOLVED, That the Officers of the University are authorized to employ Mead & Hunt, of Middleton, Wisconsin, to design the Taxiway A Rehabilitation at University Park Airport.

FURTHER BE IT RESOLVED, Final plans for the project will be brought to the Board of Trustees for approval when designed and costs have been established.

- E. Proposed Appointment of an Architect, Allied Health Building, Penn State Mont Alto

RESOLVED, That the Officers of the University are authorized to employ Hord Coplan Macht, Inc. of Baltimore, Maryland, to design the Allied Health Building, Penn State Mont Alto.

FURTHER BE IT RESOLVED, Final plans for the project will be brought to the Board of Trustees for approval when designed and costs have been established.

Action Items – Other

- A. Proposed Departmental Naming Opportunity

During Executive Session, the Board was provided with information about a transformative gift to the University. In connection with that gift, President Barron made a recommendation to the Board with respect to a corresponding academic department naming opportunity. In recognition of this gift, a motion to approve the naming opportunity as discussed during Executive Session, and to be announced publicly at a future date once all University processes have been finalized, was made, seconded and approved by the Board.

B. Selection of Recipients of the 2019 Distinguished Alumni Award

The Board received recommended nominees from the Distinguished Alumni Award Screening Committee to consider in their selection of the 2019 slate of honorees. Honorees were elected by written ballot, which were tallied by appointed tellers, Madlyn Hanes and Rob Pangborn, and reported to Board Secretary Frank Guadagnino.

C. Conflict of Interest – Approval of Lease Renewal with PSRP Developers

A lease renewal with PSRP Developers was recommended to the Board for consideration by the Committee on Finance, Business and Capital Planning. Supporting documentation was provided to the Board in accordance with Section 8.05 of the *Bylaws*, and the University official responsible for this matter, Kurt Kissinger, Associate Vice President for Finance and Business, concluded that it is in the best interests of the University to consider entering into this transaction. A motion to approve the renewal was made, seconded and approved by the Board; it is noted that Trustee Lubert was not present for any discussion or voting on this matter.

President's Report and Discussion

President Barron has directed his recent reports to the question, “*What does it mean to be a modern Land-Grant University?*” The November report to the Board focused on five key areas where the Commonwealth Campuses contribute to the University as a whole: 1) integration across the state provides stability; 2) affordable access to a world-class degree; 3) pipeline for diversity; 4) economic impact to communities; and 5) philanthropy tied to campuses. Under each area, he used a series of charts and examples to demonstrate the impact of the campuses—on students and faculty, on their communities, on our public land-grant mission, and on University Park. He concluded with the observation that *One University, Geographically Distributed Allows Penn State to Be Successful*, and then reiterated his early points noting that the Commonwealth Campuses are: an integrated model that creates a stable student population; key to fulfilling land-grant mission of access and affordability; supports moral imperative and business model to build diversity; provides powerful economic impact throughout the Commonwealth; and philanthropists, volunteers, and alumni groups are tied to campuses.

Recorded remarks are available at <https://bit.ly/2KQZ3r1>. For companion slides, reference Appendix I.

[Appendix I]

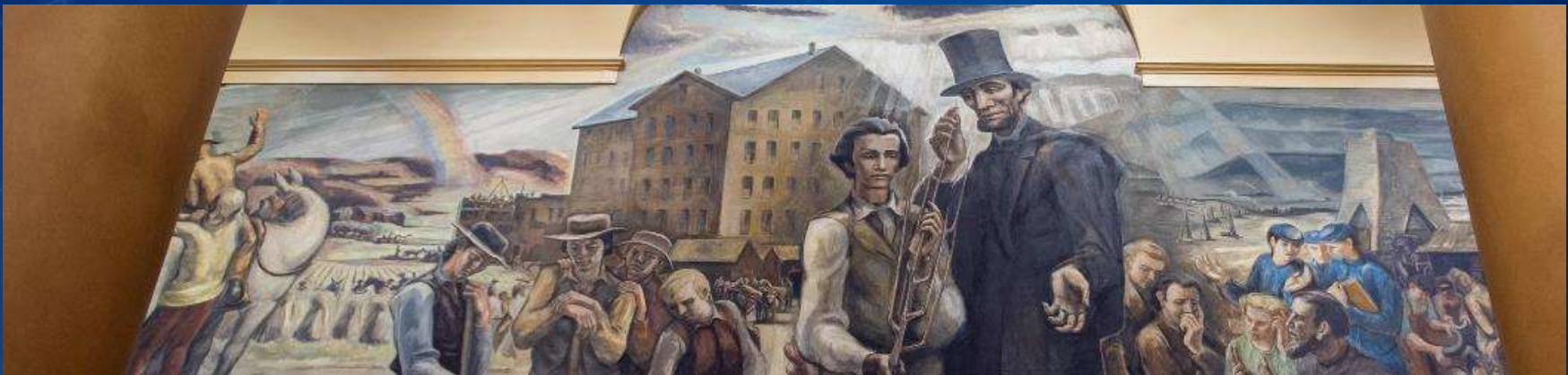
Announcements by the Chairman of the Board of Trustees

In closing, Chair Dambly called for other matters to come before the Board. There being no other business, the public meeting was adjourned at 2:20 p.m. The meeting is available in its entirety at <https://bit.ly/2KQZ3r1>.

Respectfully submitted,

Janine S. Andrews
Associate Secretary,
Board of Trustees

Living our Mission: The Commonwealth Campuses



A Discussion with the Board of Trustees
November 9, 2018



PennState

What Does it Mean to be a Modern Land-Grant University?

1. One Penn State 2025
- 2. The Commonwealth Campuses**
3. Research
4. Outreach and Service to Communities



One University, 20 Undergraduate Campuses

- One mission
- One administration (academic leadership, business and finance operations, student affairs, research enterprise, and physical plant)
- One application for admission/Admissions Office
- One governing board



The Value of our Structure

- Integration across the state provides stability
- Affordable access to a world-class degree
- Pipeline for diversity
- Economic impact to communities
- Philanthropy tied to campuses

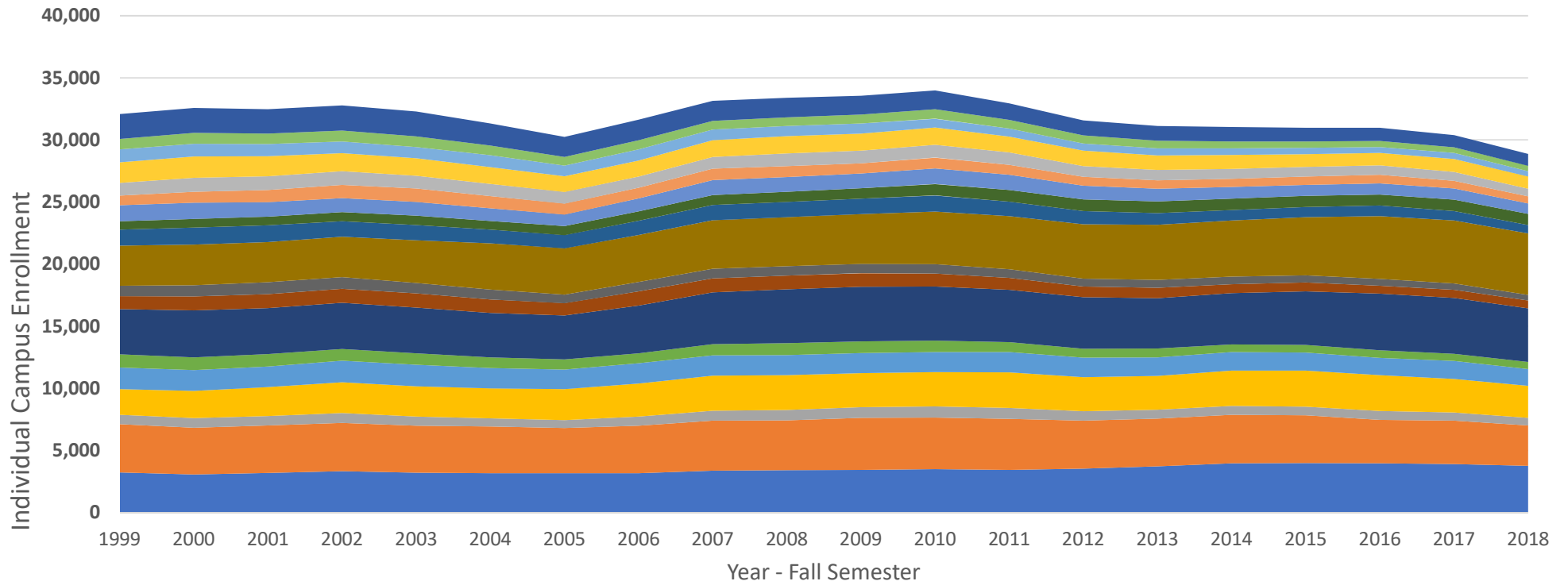


Integration Provides Stability

- Strength in numbers
- Provides access to more PA residents
 - 50% of all first-year students (60% of PA students) start at a CC; Nearly 4,000 student transitions annually—3,600 to UP
- Serves rural, suburban and urban populations
- Allows for regionalization (e.g. nursing and health-related entrepreneurship at Berks given proximity to Penn State Health St. Joseph)



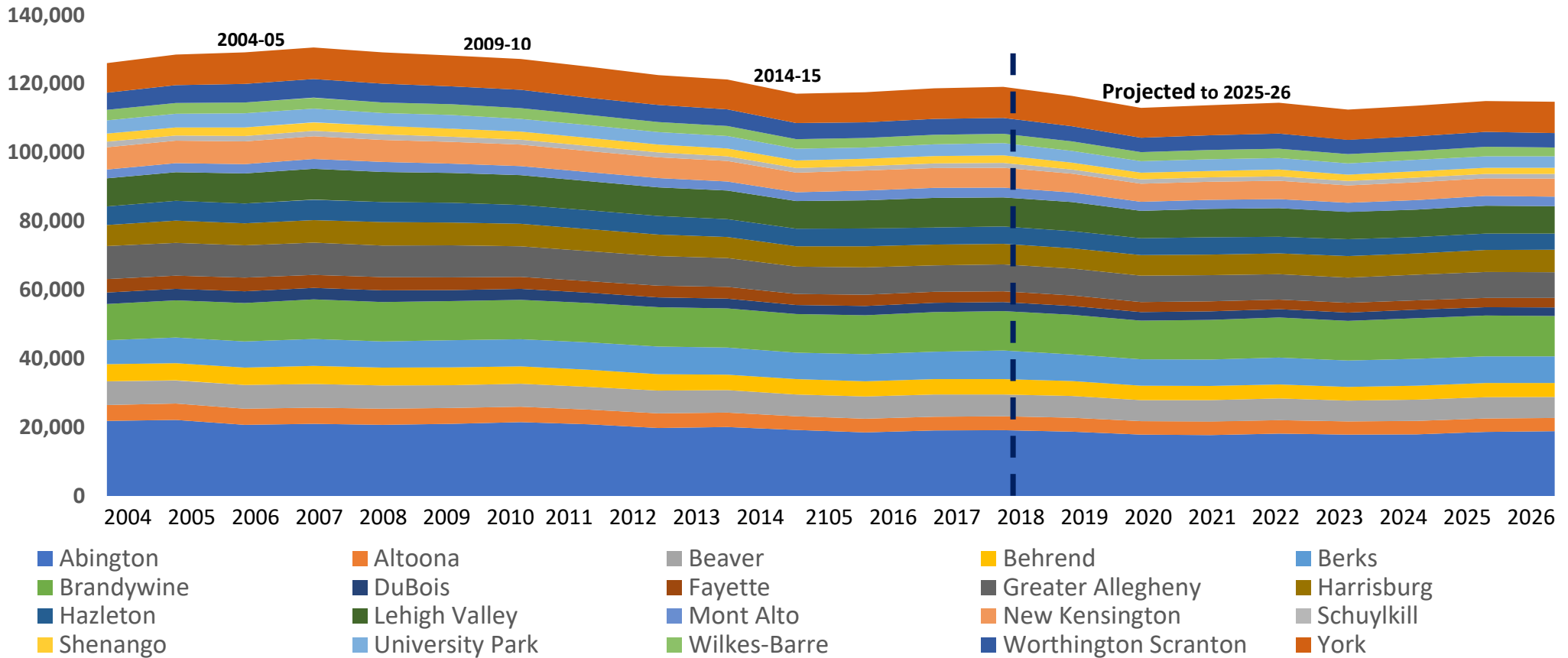
20-Year Enrollment Trend: Commonwealth Campuses



- Abington
- Altoona
- Beaver
- Berks
- Brandywine
- DuBois
- Erie
- Fayette
- Greater Allegheny
- Harrisburg
- Hazleton
- Lehigh Valley
- Mont Alto
- New Kensington
- Schuylkill
- Scranton
- Shenango
- Wilkes-Barre
- York

Source: Official Fall Census Data 1999 - 2018

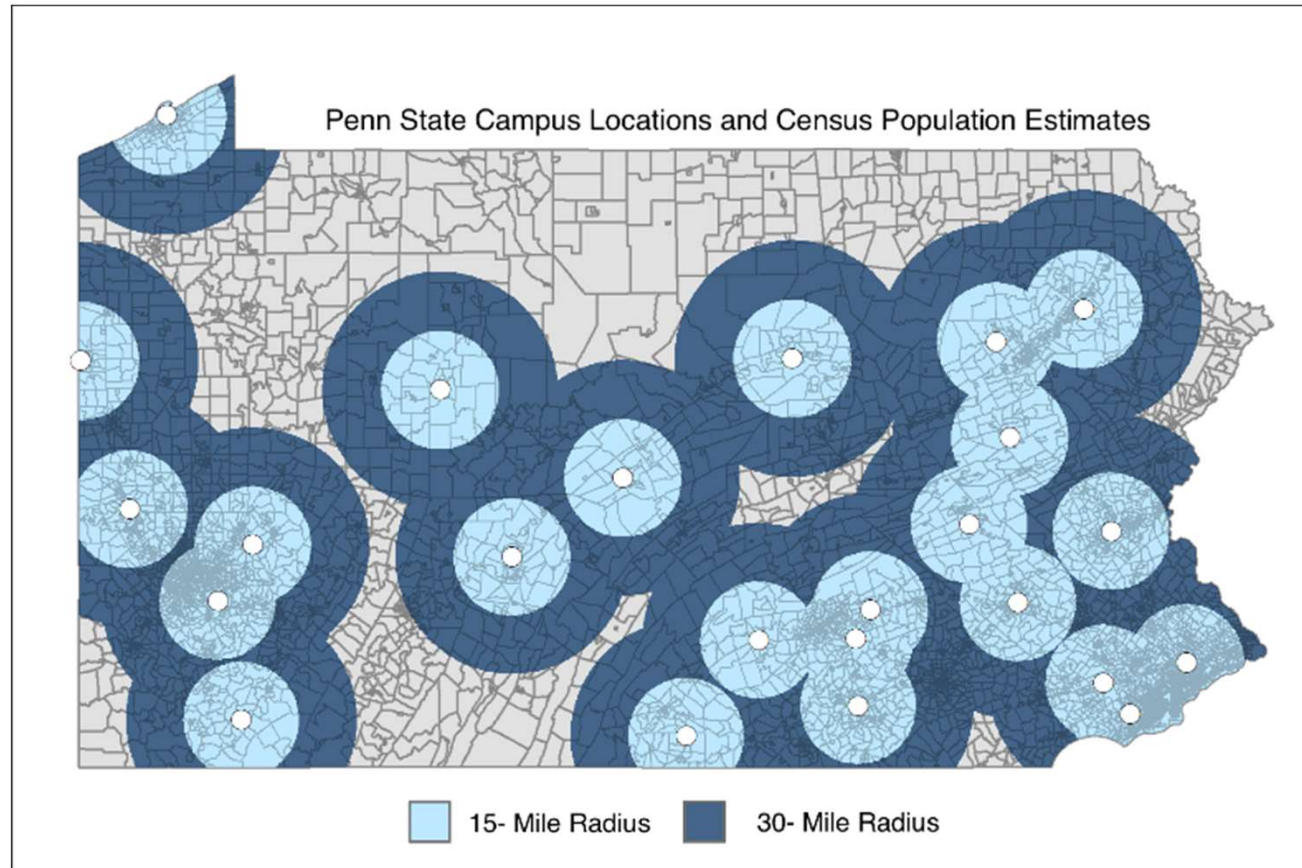
PA 12th Grade Public High School Enrollment/Projections



Source: PA Data Center, Public School Data

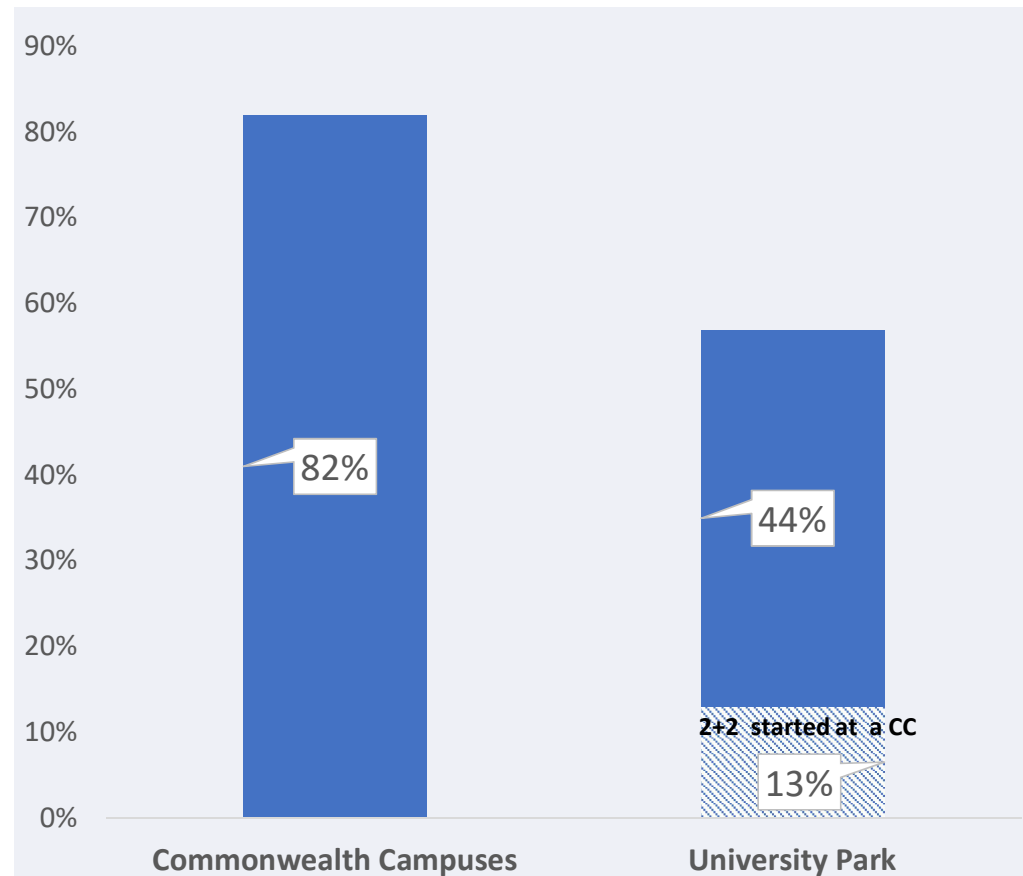
Providing Access to More PA Residents

- 75.2% of PA residents live within a 15-mile radius of a campus
- 95.6% of PA residents live within a 30-mile radius of a campus



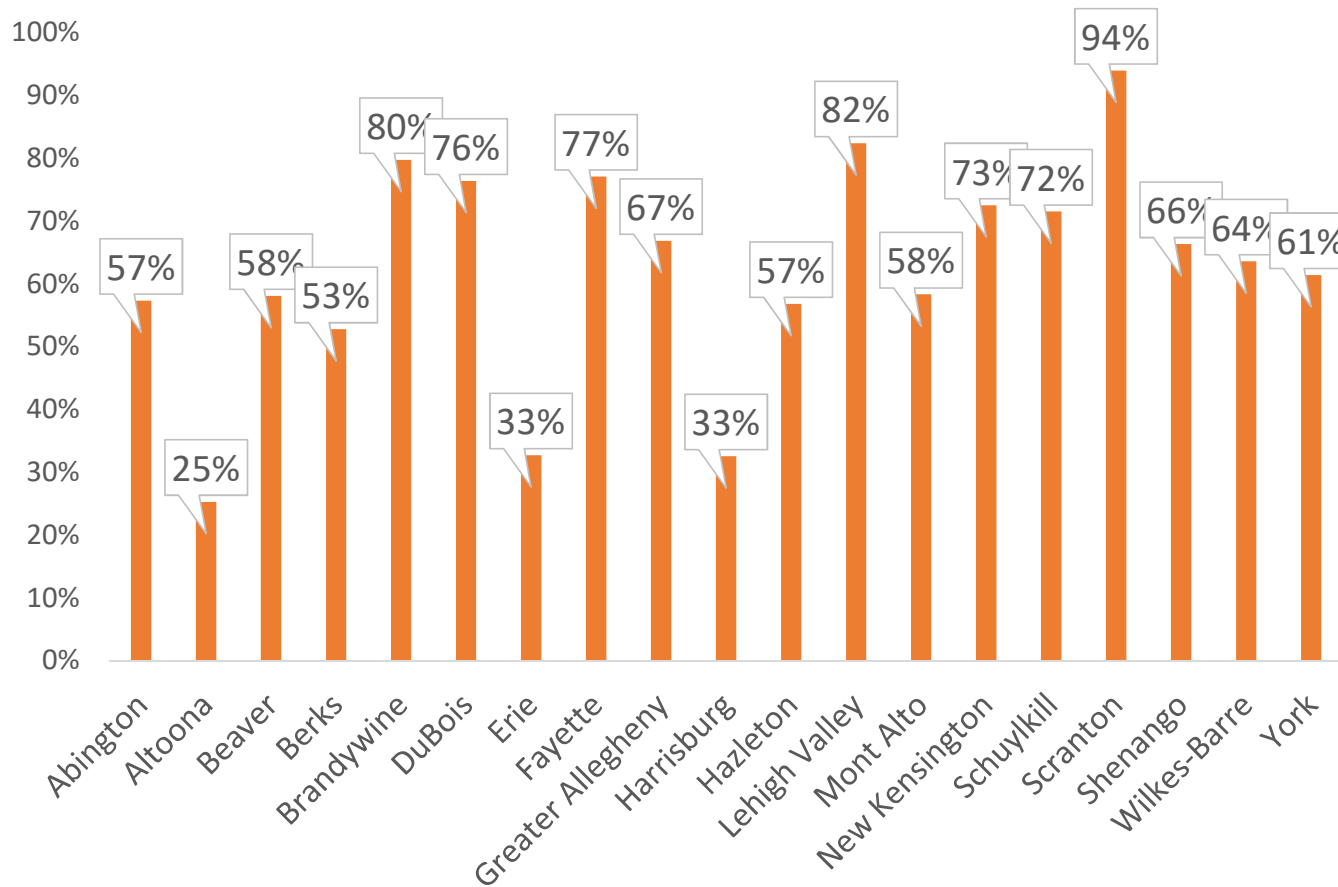
Serving PA Families

- 82% of CC students are PA residents
- 57% of UP students are PA residents; 13% started at CC



Source: Official Fall 2017 Census Data

Students Enroll Close to Home



Source: Undergraduate Admissions Office

Affordable Access to a World-Class Degree

- Differential tuition structure saves PA students \$\$.
- Students can live at home/continue to work.
 - 62% work an average of 22 hours/week
- Provides opportunities for non-traditional, place-bound students.
 - 17% adults, including 1,000 veterans
- Campuses support adjustment to college academic expectations.
- High demand, high interest programs enable students to complete degrees near home.

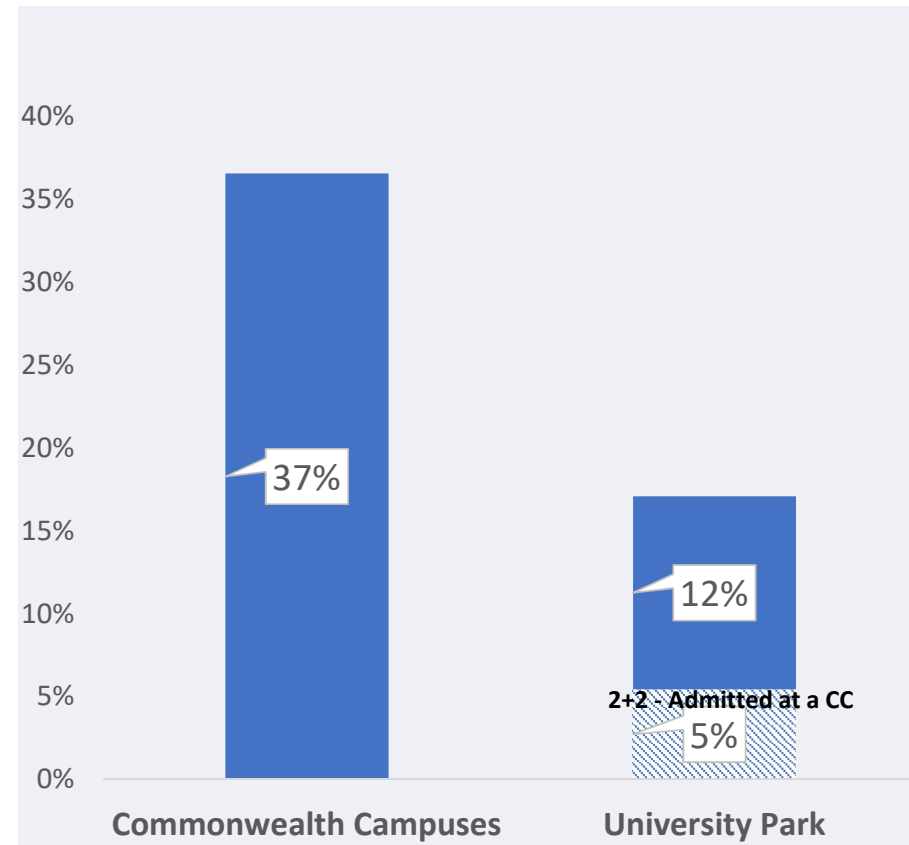


Penn State Scranton Business Club



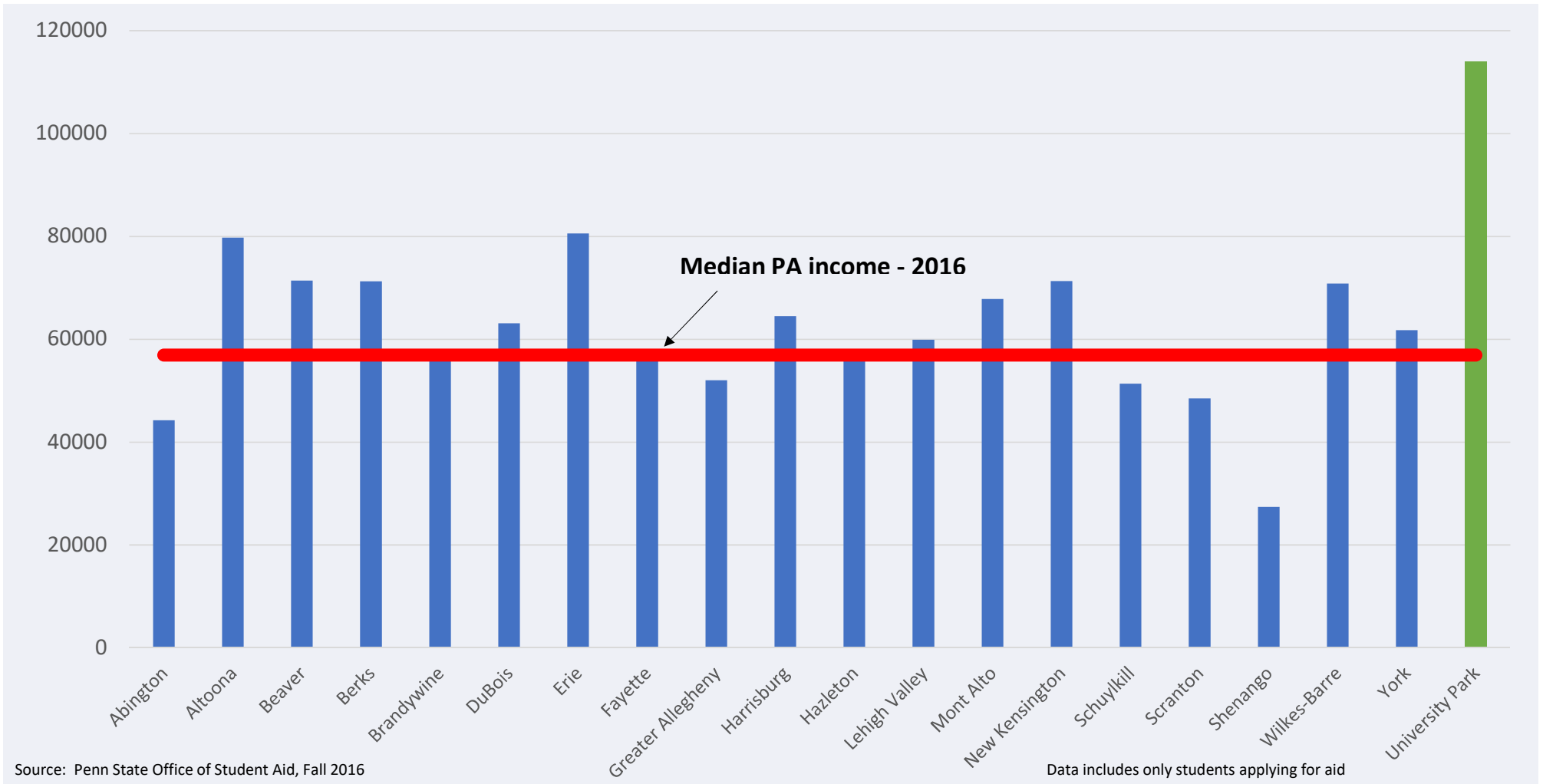
First-Generation Students

- 37% of CC students are first-generation
- 1/3 of first-generation students at UP started at CC



Source: Undergraduate Admissions Office

Serving Families of Modest Means



Community-Focused

PS Fayette hosts annual STEAM program to introduce female high school students to nontraditional careers



PS Lehigh Valley Scholarship Dinner celebrates students and thanks local donors. Event allowed donors to get to know the very students they have helped.

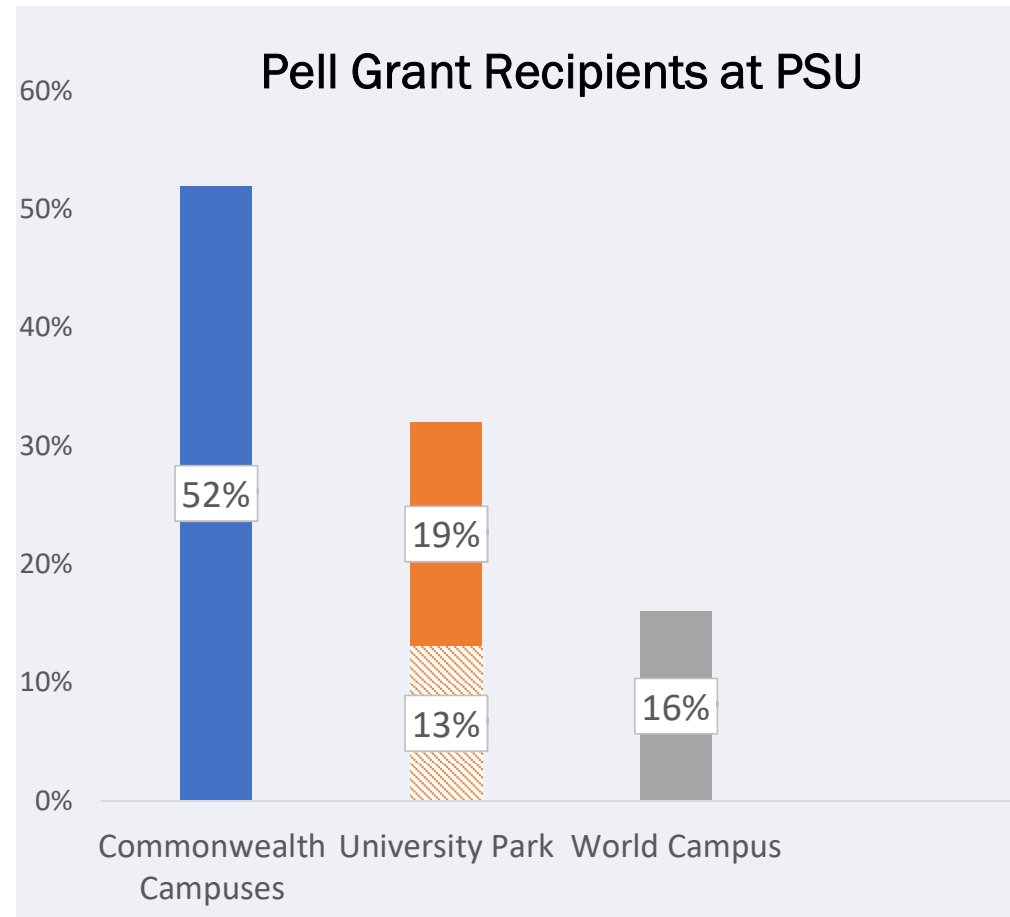


PS Greater Allegheny Food Bank serves students and community members. They also opened the Free Store to supply customers with food and clothing, free of charge.



Student Aid

- 52% of all PSU Pell Grant recipients attend CC.
- Nearly half of UP Pell Grant recipients started at a CC.
- 81% of CC students receive aid, compared to 65% of UP students.



Source: Office of Student Aid

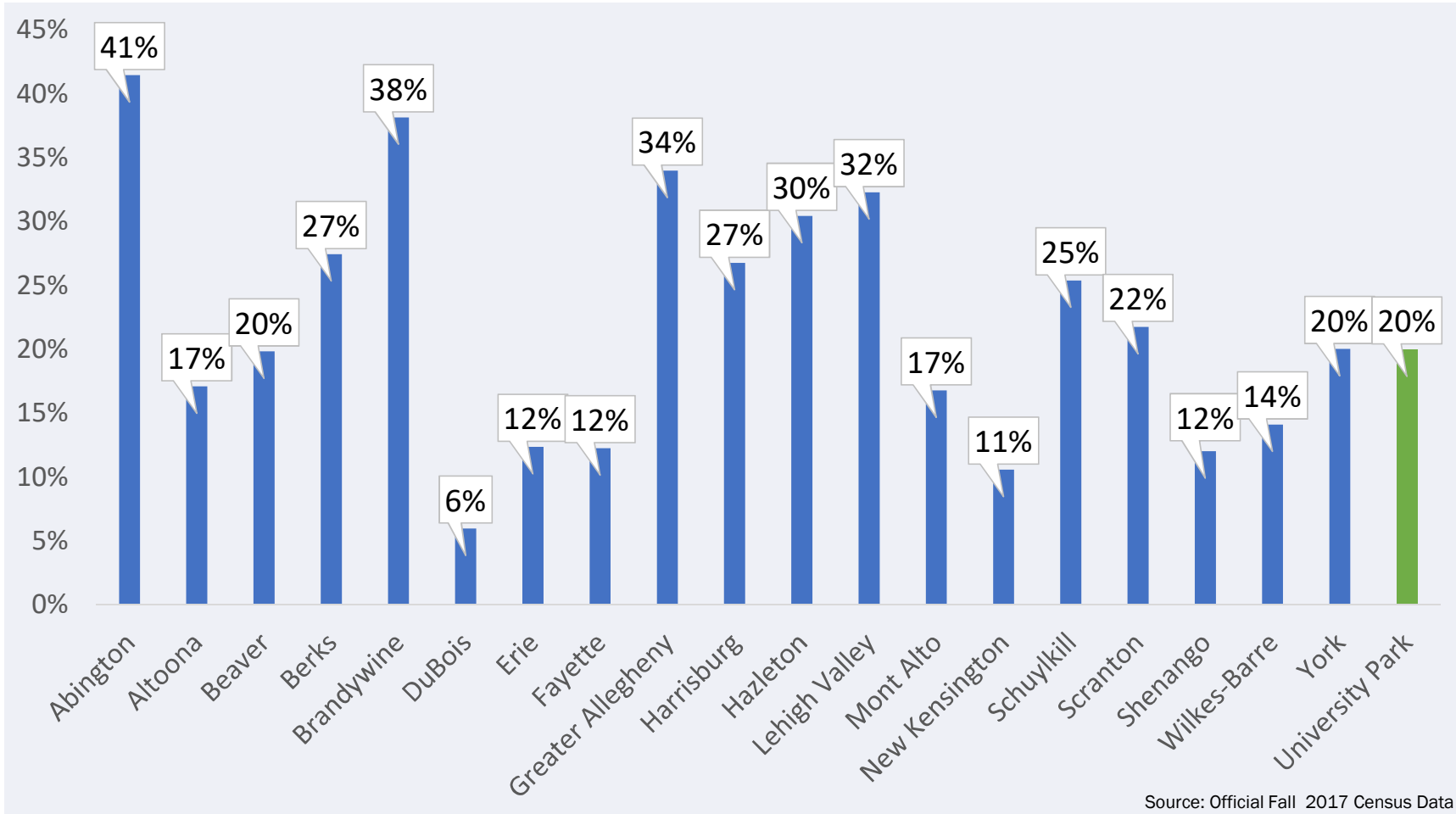


Pipeline for Diversity

- Diversity is essential—for business model, moral imperative and environmental richness.
- CC reflect diverse population in their catchment areas: UP is an exception (a broad catchment).
 - Birth rates declining in most PA counties (Avg. -4.3%); but increasing in urban areas in PA and nationally.
- CC students help build diversity at UP when they transition with the 2+2 model.



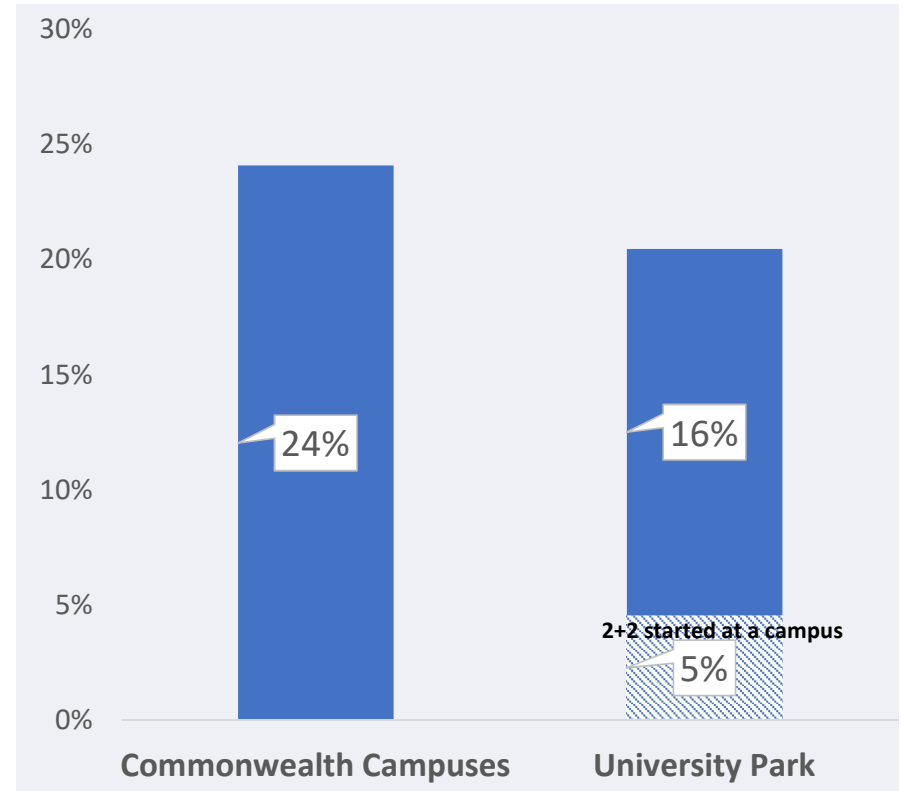
Minority Enrollment by Campus



Source: Official Fall 2017 Census Data

Providing Access for Underrepresented Groups

- 24% of CC students are from underrepresented groups
- $\frac{1}{4}$ of UP underrepresented students started at a CC

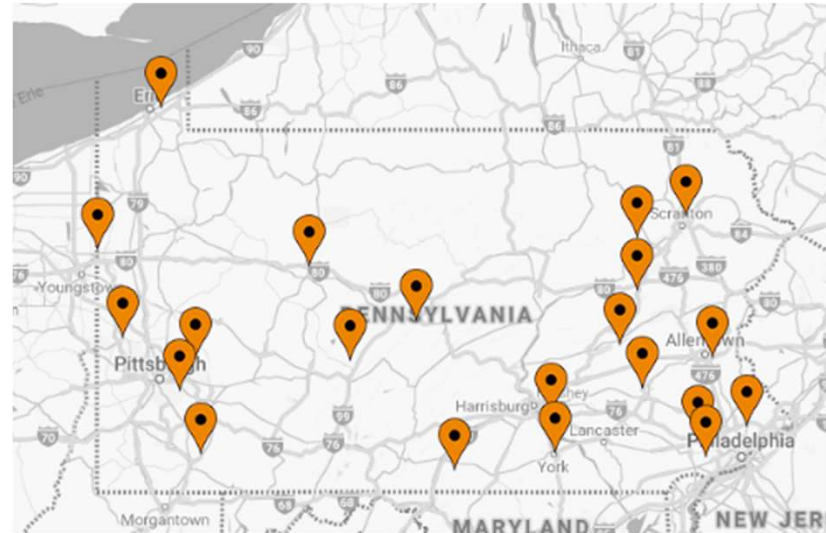


Source: Official Fall 2017 Census Data

Economic Impact to Communities

- Penn State ranks No. 6 among top employers in PA.
- Invent Penn State--LaunchBoxes, Entrepreneur Support/Resources, Investment, and Community Partners.
 - 6 LaunchBoxes opened in 2016; 5 in 2017; 4 in 2018; 5 in progress
- Campuses are cultural centers; a magnet for communities.

21 Innovation Hubs Across the Commonwealth



Note: More comprehensive economic impact analysis underway.

Source: PA Department of Labor and Industry Center for Workforce Information & Analysis (1Q 2018)

Invent Penn State Outcomes for CC Hubs

Activity	FY '16-18
Entrepreneurs Assisted	592
Students Engaged	1,529
Faculty/Staff Engaged	394
New Product Development Projects	72
New Startups Program Graduates	91
New Companies in PA Communities	39
Jobs Created	89.5
Internships Created	147
In-Kind Support Est. Value	\$755,300
External Matched/Leverage Funds	\$3,521,856
Total External Matched/Leveraged Funds Since 2015	\$4,949,609



Philanthropy/Volunteers Tied to Campuses

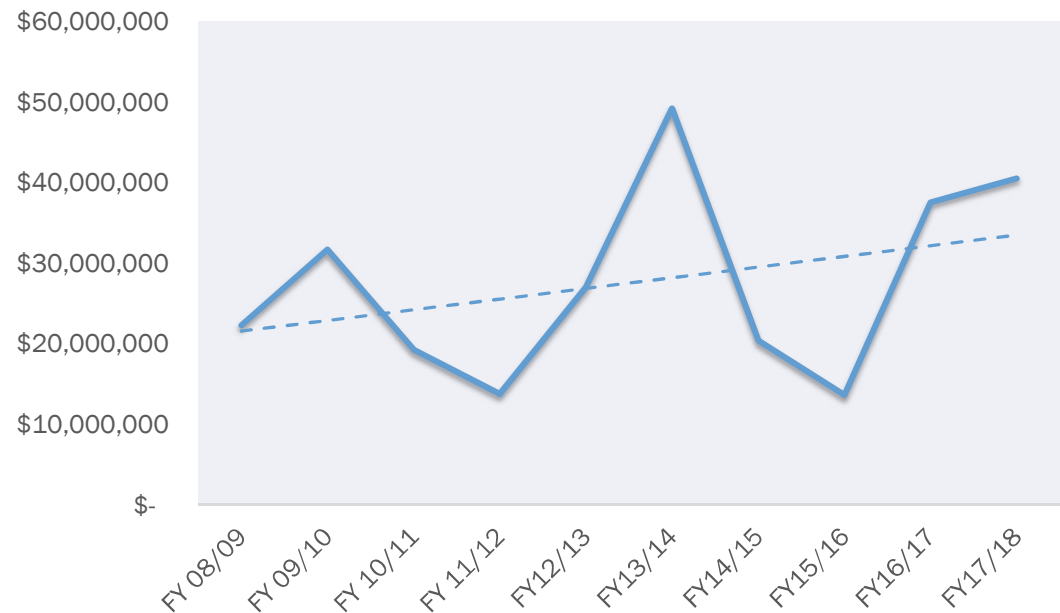
- Individuals and businesses connected to Penn State through campuses.
- PSAA: 21 Campus Societies and 200+ alumni volunteers serving more than 468,000 alumni who attended a CC.
- 20 CC Advisory Boards with 610 Board Members.
- 294 CC Campaign Committee Members.
- Local industries provide 3,500 internships annually.



Commonwealth Campus Philanthropy

- Total CC gift commitments to *A Greater Penn State* campaign are \$128M.
- Over the past 10 years, the number of endowments for CC grew by 53%, from 1,248 to 1,915.
- Book value grew by 46%.

CC Gift Commitments



Penn State Abington

- Steve Taub spent his first two years at Abington before earning his degree at University Park.
- In Oct., he donated \$17.3M to Abington: largest gift to that campus; second largest to any CC.
- Built his career in the Phila. region.
- Has donated more than \$22M to Abington.



Penn State Shenango

- Paul Chadderton built his trucking business in Sharon, PA.
- Donated nearly \$1M because “kids need more education than when I was young, and it’s only harder for them to find money to afford it.”
- Median family income of Shenango students who applied for aid: \$27K; median at CC \$64K; UP \$114K.



Honorary alumnus Paul Chadderton and his wife Eleanor



Many Examples



Brandywine: Mark Dambly



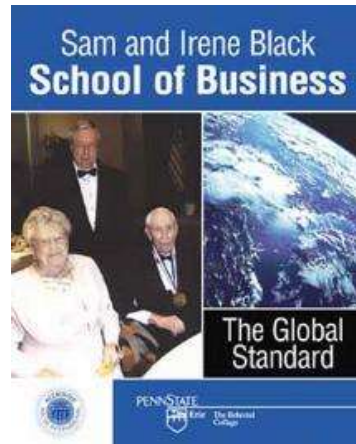
York: Don Graham



Hazleton: Lofstrom Library



DuBois: Palumbo Charitable Trust



Altoona: Steve Sheetz, Hite Family



Abington: Ira Lubert

One University, Geographically Distributed Allows Us to be Successful

- Integrated model creates a stable student population.
 - Nearly 30,000 students each year across CC
 - 8,139 full and part-time faculty and staff
- Model allows every campus to be unique, while benefiting from Penn State's global reputation.



Penn State Wilkes-Barre



Summary

- Key to fulfilling land-grant mission of access and affordability.
- Supports moral imperative and business model to build diversity.
- Powerful economic impact throughout the Commonwealth.
- Philanthropists, volunteers, and alumni groups tied to campuses.



Penn State Mont Alto



Schuylkill senior Catherine Holm, a veteran, mother, scholar and leader.



Discussion: Living the Land-Grant Mission through our Commonwealth Campuses

1. Can we do a better job communicating the value of the uniqueness of our CC structure?
2. How do we build on our investment in our campuses to advance Penn State's land-grant mission?



Penn State Harrisburg

