

**THE PENNSYLVANIA STATE UNIVERSITY
BOARD OF TRUSTEES**

**COMMITTEE ON LEGAL AND COMPLIANCE
MINUTES OF MEETING
VOLUME LC 15**

May 5, 2016

A meeting of the Committee on Legal and Compliance was held in Room 218, Penn Stater Conference Center Hotel, University Park, Pennsylvania, at 1:30 p.m. on Thursday, May 5, 2016.

The following committee members, constituting a quorum, were present: Richard Dandrea, Kathy Casey, Bob Capretto, Allie Goldstein, Abe Harpster, Ira Lubert, Keith Masser, Bill Oldsey, Julie Anna Potts, and Rob Tribeck. The following administrators and staff members were also present: Regis Becker, Steve Dunham, David Gray, Frank Guadagnino, Nick Jones, Gary Langsdale and Tom Poole. Invited guests to the meeting were Sandy Barbour, Phil Esten, David Dulabon and Zahraa Zalzal.

Chair Dandrea called the meeting to order and noted that the minutes from the Committee's February 25, 2016 meeting will be deferred for approval until the next meeting.

The Committee received information on the proposed sale and service of alcoholic beverages at certain events held at University Intercollegiate Athletic venues. Sandy Barbour reviewed the proposal, which would include possible ICA event use in Beaver Stadium (Lower Suites I Levels 1 and 2, University-Level Suites, and Mt. Nittany Club Room), Bryce Jordan Center (Private Suites and Founders Club), and Pegula Ice Arena. Sandy noted the proposal would focus on three categories: 1) ICA events, restricted to controlled areas, i.e., no general sale; 2) limited number of special events in Beaver Stadium and Pegula Ice Arena point of sale availability (throughout facility); and, 3) Blue and White Golf Courses (on-course cart and 19th hole). Discussions occurred regarding the need for student government to have a voice in the distribution and use of generated revenue; support that part of the sales should go to Student Affairs and be used to educate students on alcohol awareness and sensitivities; and that Student Affairs should be involved in decisions associated with the sale and service of alcohol. A motion was made to recommend to the full Board adoption of the policy change and authorization to proceed. The motion was made by Ira Lubert, seconded by Bill Oldsey, and passed unanimously.

Facilitated by Regis Becker, the Committee explored a generative discussion of the purposes and scope of Penn State's compliance plan, including focus on two questions and areas of exploration provided to the Committee in advance: 1) How do we assure that the Legal and Compliance Committee is knowledgeable about the Ethics and Compliance program and exercises reasonable oversight; and, 2) How does the University weigh and evaluate costs and benefits in its Ethics and Compliance Program. Regis reviewed various programmatic elements, including factors affecting organizational context for compliance and the existing centralized, decentralized, and hybrid compliance reporting structure. A discussion of the roles and responsibilities of trustees suggested that it is critical that trustees be versed in the compliance plan, with Steve Dunham noting that when an outside compliance auditor comes in, they might inquire about what trustees know about certain programmatic elements. The Committee discussed various ways to ensure trustees are well-versed in various elements of the compliance program, possibly targeting a "ten most important questions" a trustee should know about the compliance program; and, the idea of trustees availing themselves of o-line training offerings, such as Clery Compliance. A

discussion regarding the cost/benefit analysis of compliance was helpful and centered on how to approach finding an appropriate cost/benefit balance. It was suggested that such an analysis might include unintended consequences, and impact on bureaucracy or barriers. President Barron spoke to the realities of higher education regulatory environments. A discussion occurred on the idea of having a resource library or repository of various compliance-related documents, such as the compliance plan, supplementary readings, articles, etc. Regis Becker indicated he would work with Steve Dunham on such an effort.

The public meeting of the Committee was adjourned at 2:42 p.m. Steve Dunham then provided an attorney-client privileged legal update in executive session, and Office of General Counsel staff members David Dulabon and Zahraa Zalzala presented information on privileged matters. All Trustees in attendance who are not members of the Committee (Trustees Brown, Dambly, Doran, Fenza, Hoffman, Lord, Lubrano, Metaxas, Pope, Salvino, Schneider, Schuyler and Weinstein) were invited by the Chair to stay for the executive session.

Respectfully submitted,

Janine S. Andrews
Director
Office of the Board of Trustees