



PennState

Meetings of the Board of Trustees | November 10, 2017

Minutes

**MINUTES OF MEETINGS OF
BOARD OF TRUSTEES
VOLUME 303
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MINUTES OF MEETING

BOARD OF TRUSTEES

VOLUME 303

November 10, 2017

A meeting of the Board of Trustees was held in Dean's Hall of the Penn Stater Conference Center Hotel, University Park, PA, at 1:00 p.m. on November 10, 2017.

The following Trustees were present: Dambly (chairman), Schuyler (vice chairman), Barron, Brown, Capretto, Casey, Cotner, Dandrea, Delligatti, Detwiler, Dietrich, Doran, Dunn, Fenza, Han, Harpster, Hartzler, Hoeschele, Hoffman, Jubelirer, Kleppinger, Lubert, Lubrano, McCombie, Oldsey, Paterno, Pope, Potts, Redding, Rivera, Schneider, Steele, Tribeck, and Weinstein. Participating by phone were Trustees Rakowich and Rapp.

Present by invitation were Faculty Senate officers Berube, Taylor and Woessner; student representatives DeBellis, Jordan, Krott, Pragg, and Shockley; representatives Egolf, Ilie, Jacob, Strauss, and Wagman; and staff members Andrews, Barbour, Beahm, Bundy, Dunham, Gray, Guadagnino, Hanes, Hillemeier, Huston, Jones, Kubit, Lokman, Moore, Mulroy-Degenhart, Pangborn, Poole, Sharkey, Sims, and Whitehurst.

Chairman Dambly called the meeting to order, and noted that the Board met in Executive Session both Thursday afternoon and earlier in the day to discuss various privileged matters. He welcomed new Trustees Daniel Delligatti and Stanley Rapp. Chair Dambly remarked on upcoming Homecoming and Military Appreciation activities, then introduced speakers Colonel Eugene McFeely (Ret.), the University's Senior Director for Veteran's Affairs and Services; Schreyer Honors Scholar and a member of the Penn State Naval ROTC Unit, Austin Bieniawski; and Max Rohn, an engineering student and Penn State Ability Athlete. McFeely, Bieniawski, and Rohn spoke about their Penn State experiences and military engagement.

Recorded remarks are available at <https://youtu.be/hu7XrKVayZM>.

The roll was called by Janine Andrews, Associate Secretary of the Board. Following the roll call, the Board voted to approve the *Minutes* of the meetings of the Board held on September 15, 2017.

President's Report

Dr. Barron introduced Lauren Nelson, Executive Director of the 2018 Class Gift Campaign. Lauren reported that the class has expanded the number of gifts from the graduating class from one to three in order that members of the class might support a gift which inspires them personally. The following gifts will be presented to the University by the Class of 2018: 1) A HUB Alma Mater Display; 2) A Student Farm Endowment; and 3) The Textbook and Educational Resources Fund.

Dr. Barron's President's Report provided an overview of Penn State's effort to Impact the World through Human Health, which is one of the priorities in the campaign, *A Greater Penn State for 21st Century Excellence*. He gave a brief overview of the current landscape, as well as Penn State's place in it, before turning to the question of how Penn State can realize the goal of impacting the world through human health. He outlined the following approach: 1) Transform medical education to meet 21st century needs. 2) Promote collaborations across colleges and campuses. 3) Accelerate the process from discovery to clinical trials. 4) Promote health and wellness across the lifespan. He described several examples under each approach, and concluded with the following actions that are required to meet our goals: Engaging partners across the University and beyond to expand biomedical and health sciences at Penn State; Enhance collaboration among College of Medicine, UP Colleges and Commonwealth Campuses; Nurture new strategic priorities centered on health; Partnering with lead donors in *A Greater Penn State for 21st Century Excellence*.

Recorded remarks are available at <https://youtu.be/hu7XrkVayZM>. For companion slides, reference Appendix I.

[Appendix I]

Informational Report on Admissions and Enrollment

Rob Pangborn, Vice President and Dean for Undergraduate Education introduced Clark Brigger, Assistant Vice President for Undergraduate Education and Executive Director for Undergraduate Admissions, who provided an informational report on admissions and enrollment.

Reports from Standing Committees

Chairman Dambly advised that Standing Committees met in public session on Thursday, November 9, 2017, to consider any information or action items to come before the Board at the November 10, 2017 public meeting. Any action item considered and voted on in the Committee was included in reports by the respective Committee chairs. The full Board was asked to consider Committee recommendations at the conclusion of each report.

A. Committee on Governance and Long-Range Planning

Chair Han reported that the Committee on Governance and Long-Range Planning met Thursday, November 9, with a quorum of the Committee present.

The Committee received an update from Trustee Potts on plans for the January 2018 Board Retreat, and continued with its work on developing a skill set inventory and operating guidelines. The Committee discussed proposed revisions to the Board's public comment sessions, which were submitted by the Committee on Outreach, Development and Community Relations. Following discussion, the Committee unanimously recommended that the Board consider these revisions at its meeting in February. Finally, the Committee held a generative discussion on the topic of resource stewardship, which was led by Lee Kump, Dean of the College of Earth and Mineral Sciences, and Richard Roush, Dean of the College of Agricultural Sciences.

The Committee met in Executive Session to discuss privileged matters with legal counsel.

At its meeting in September, the Committee considered, and recommended by a vote of 6 to 1, amendments to the *Charter* and *Bylaws* related to reimbursement of travel expenses and the indemnification of Trustees. It was determined that this recommendation would be presented to the full Board for voting in November.

Following discussion, a motion to table the recommended resolution was made, seconded, and defeated by the Board in a roll-call vote (13-20-2). Trustees Dunn and Rivera abstained from voting.

After continued discussion, the Committee on Governance and Long-Range Planning recommended that the Board of Trustees approve the following resolution:

1. RESOLVED, That the *Charter* of the Board of Trustees of The Pennsylvania State University be amended as set forth in the appendix and presented at the meeting on November 10, 2017.

FURTHER BE IT RESOLVED, That the *Bylaws* of the Board of Trustees be amended as set forth in the appendix and presented at the meeting on November 10, 2017.

[Appendix II]

A motion to approve the foregoing resolution as recommended by the Committee on Governance and Long-Range Planning was made, seconded and approved by the Board in a roll call vote (21-12-2). Trustees Dunn and Rivera abstained from voting.

B. Committee on Academic Affairs and Student Life

Chair Oldsey reported that the Committee on Academic Affairs and Student Life met on Thursday, November 9, with a quorum of the Committee present.

Vice President and Dean for Undergraduate Education, Rob Pangborn, provided updates on admissions; the Financial Literacy and Wellness Program; and the Student Engagement Network. Vice President for Student Affairs, Damon Sims, delivered reports to the Committee on Greek life reform; Penn State's parent and family weekend program; and the fall Career Fair. Provost Nick Jones provided updates on current and upcoming Dean searches, and enterprise system implementation.

The Committee received updates from Brianne Pragg, Vice President of the Graduate and Professional Student Association; Katie Jordan, President of the University Park Undergraduate Association; and Hunter DeBellis, Vice President of the Council on Commonwealth Student Governments, on the following topics: Health plan transition issues for graduate students; student fees and their impact; Pennsylvania Labor Relations Board hearings related to Graduate Student unionization; medical amnesty and alcohol abuse; the importance of the University Common Hour; and academic advising.

Maggie Slattery, Assistant Dean and Director of Penn State's Office for General Education, and Catherine Rios, Faculty Scholar and Associate Director of the School of Humanities and the chair of the Communications Program at Penn State Harrisburg, provided a report on revisions to the General Education Curriculum, including updated learning objectives; new requirements; integrative studies requirements; faculty scholars; seed grants; and assessment.

Finally, the Committee established topics for generative discussions at its meetings in February and May, 2018.

There were no action items presented to the Board.

C. Committee on Audit and Risk

Vice Chair Brown reported that the Committee on Audit and Risk met on Thursday, October 20, with a quorum of the Committee present.

The Committee reviewed the Committee roles and responsibilities matrix, and received a report from Director of Internal Audit, Dan Heist, who noted future timelines for outstanding items. Joe Doncsecz, University Controller, provided a review of the University's audited financial statements for the year ending June 30, 2017; the Committee voted to accept them on behalf of the Board.

Joseph Doncsecz then provided a detailed report on the University's audited financial statements.

There were no action items presented to the Board at either meeting.

D. Committee on Compensation

Chair Masser reported that the Committee on Compensation met on Thursday, November 9, with a quorum of the Committee present. The Committee reviewed detailed compensation reports which included market information for executives falling under the Committee's purview, and approved salary increases for Tier II and Tier IIA executives as proposed.

Prior to its public meeting, the Committee met in Executive Session to discuss personnel matters.

The Committee on Compensation recommended that the Board of Trustees approve the following resolution:

1. WHEREAS, The Committee on Compensation has reviewed the Presidential performance goals and objectives as well as market and equity considerations; and

WHEREAS, The Committee on Compensation recommends annually to the Board of Trustees consideration of salary adjustments to the President's salary based upon the President's performance in light of established goals and objectives;

THEREFORE BE IT RESOLVED, That the Board of Trustees approves the salary terms for Eric J. Barron as recommended by the Committee on Compensation and presented to the Board of Trustees in executive session.

A motion to approve the foregoing resolution as recommended by the Committee on Compensation was made and seconded and approved by the Board. Trustees Brown and Lubrano voted against the resolution; Trustee Paterno abstained from voting.

E. Committee on Finance, Business and Capital Planning

Chair Fenza reported that the Committee on Finance, Business, and Capital Planning met on Thursday, November 9, with a quorum of the Committee present. He also noted that in advance of Thursday's meeting, Trustees were provided with opportunities for briefings and inquiry on agenda items, to ensure each Trustee had a comfortable level of information and to address any outstanding inquiries. Two separate webinar offerings, along with accompanying detailed information on the Board portal was supplemented with the University's administration making itself available to answer questions.

Chair Fenza continued with his introductions of Agenda Items for consideration and approval.

Agenda Item 1 proposed the naming of a new building at Penn State York the "Graham Center for Innovation and Collaboration." Agenda Item 2 was postponed. The Committee approved the recommendation of the resolution for Agenda Item 1 by unanimous vote.

Agenda Item 3 proposed a consideration of the request for the 2018-2019 appropriation for operations. This item was presented in detail by President Barron. Agenda Item 4 proposed the appointment of a design build team for the West Campus Steam Plant Combined Heat and Power System at University Park. Agenda Item 5 proposed final plan approval and authorization to expend funds for the North Campus Chilled Water Plant System Expansion at University Park. The Committee approved the recommendation of resolutions for Agenda Items 3-5 by unanimous vote.

Agenda Item 6 proposed the purchase of leasehold improvements on the campus of The Penn State Health Milton S. Hershey Medical Center, 30 Hope Drive, Derry Township, Dauphin County. This item was presented in detail by Eric Strucko, Associate Vice President for Finance and Business/Controller, Penn State College of Medicine. Agenda Item 7 proposed the purchase of new University financial system software. The Committee approved the recommendation of resolutions for Agenda Items 6 and 7 by unanimous vote.

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

1. RESOLVED, That a new building at Penn State York is named "Graham Center for Innovation and Collaboration."

2. RESOLVED, That the Officers of the University are authorized to submit to the Legislature, appropriate departments, and offices of the Commonwealth of Pennsylvania, a State Appropriation Request for fiscal year 2018-2019 in the amount of \$337,992,000.

3. WHEREAS, The interview process has been conducted by the University's Office of Physical Plant.

RESOLVED, That the Officers of the University are authorized to employ McGough Construction Company of St. Paul, Minnesota, to design and build the West Campus Steam Plant Combined Heat and Power System at University Park.

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.

4. RESOLVED, That the final plans for the North Campus Chilled Water Plant System Expansion at University Park, as designed by Trefz Engineering, Inc. of Horsham, Pennsylvania, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project is approved in the amount of \$14,500,000.

5. RESOLVED, That the Board of Trustees approves the acquisition of Leasehold Improvements located at 30 Hope Drive, Derry Township, Dauphin County for the purchase price of \$57,414,637, inclusive of terms providing for the termination of the ground lease agreement between the University and LHRET Hershey L.P. and the Master Lease Agreement between LHRET Hershey L.P. and The Penn State Health Milton S. Hershey Medical Center.

6. RESOLVED, that the Officers of the University are authorized to purchase SAP North America, Inc.'s S/4 HANA with Fiore (the "Software") for the replacement of the existing finance system at The Pennsylvania State University at a five (5) year cost of \$10,500,000 for the Software and ongoing maintenance and support associated therewith.

A motion to approve foregoing resolutions 1 through 6, as recommended by the Committee on Finance, Business and Capital Planning, was, seconded and approved by the Board.

F. Committee on Legal and Compliance

There was no public meeting of the Committee on Legal and Compliance. The Committee met in Executive Session in the afternoon, Thursday, November 9, and the morning of Friday, November 10, for privileged legal updates.

G. Committee on Outreach, Development and Community Relations

Chair Harpster reported that the Committee met Thursday, November 9, with a quorum of the Committee present.

The Committee received an overview of veteran's affairs and services from Eugene McFeely, including information about community opportunities for engagement during Military Appreciation Month. Lawrence Lokman, Vice President for Strategic Communications, provided a review of crisis communication, readiness, and protocols for his office. Trustee Kleppinger shared an update on the progress of the Committee's Operating Guidelines development. Finally, Zack Moore, Vice President for Government and Community Relations, provided a state budget update, including the

General Assembly's support of Penn State's appropriation and the Governor quickly signing the bill into law.

There were no action items presented to the Board.

Authorization to Confer Degrees

The Board of Trustees voted to authorize the President of the University, or designee, to confer degrees at the end of the 2018 Spring Semester, Summer Session, and Fall Semester upon those students who have completed at those times the necessary requirements.

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

The Board of Trustees voted to approve May 3, 2018 as the date for the Delegate Election of Agricultural Trustees, and for counting the ballots in the Alumni Election; and approved May 8, 2018 as the date for the election of Business and Industry and At-large Trustees.

Selection of Recipients of the 2018 Distinguished Alumni Award

Chair Dambly noted that the Distinguished Alumni Award Screening Committee met earlier in the week to consider a slate of candidates to be recommended to the Board. The Board was charged with selecting, by written ballot, recipients of the award for 2018. Ballots were distributed and following the vote, were counted by Tellers Michael Kubit, Vice President for Information Technology/Chief Information Officer, and Marcus Whitehurst, Vice Provost for Educational Equity.

Kubit and Whitehurst provided the results to Tom Poole, Vice President for Administration/Secretary, who shared the information with the President and Chair. Following communication with the selected recipients, their names were announced publicly.

Those selected to receive the Distinguished Alumni Award in 2018 are:

Dana H. Born
Jacob D. Corman III
Paul T. Cremo
Kerry R. McCoy
Barbara H. Raphael
Richard J. Riegel
Hal S. Sadoff
Roger L. Williams

Announcements by the Chairman of the Board of Trustees

Chair Dambly called for other matters to come before the Board.

There being no other business, the public meeting was adjourned at 3:34 p.m. The meeting is available in its entirety at <https://youtu.be/hu7XrKVayZM>.

Respectfully submitted,

Janine S. Andrews
Associate Secretary,
Board of Trustees



PennState

Impact the World: Human Health
President's Report
to the Board of Trustees
November 10, 2017

Penn State's Vision

“To be a leader in promoting quality of life through comprehensive approaches to enhancing personalized and population health, achieved through a commitment to and investment in relevant research, education, clinical practice and outreach.”

Enhancing Health--Strategic Plan



The Current Landscape

- Rapidly Changing Health Care Provider Systems
- Competitive Environment for Research Funding
- New Treatment Options for Cancer and other Diseases
- Impact of Big Data
- Focus on Population Health and Personalized Medicine

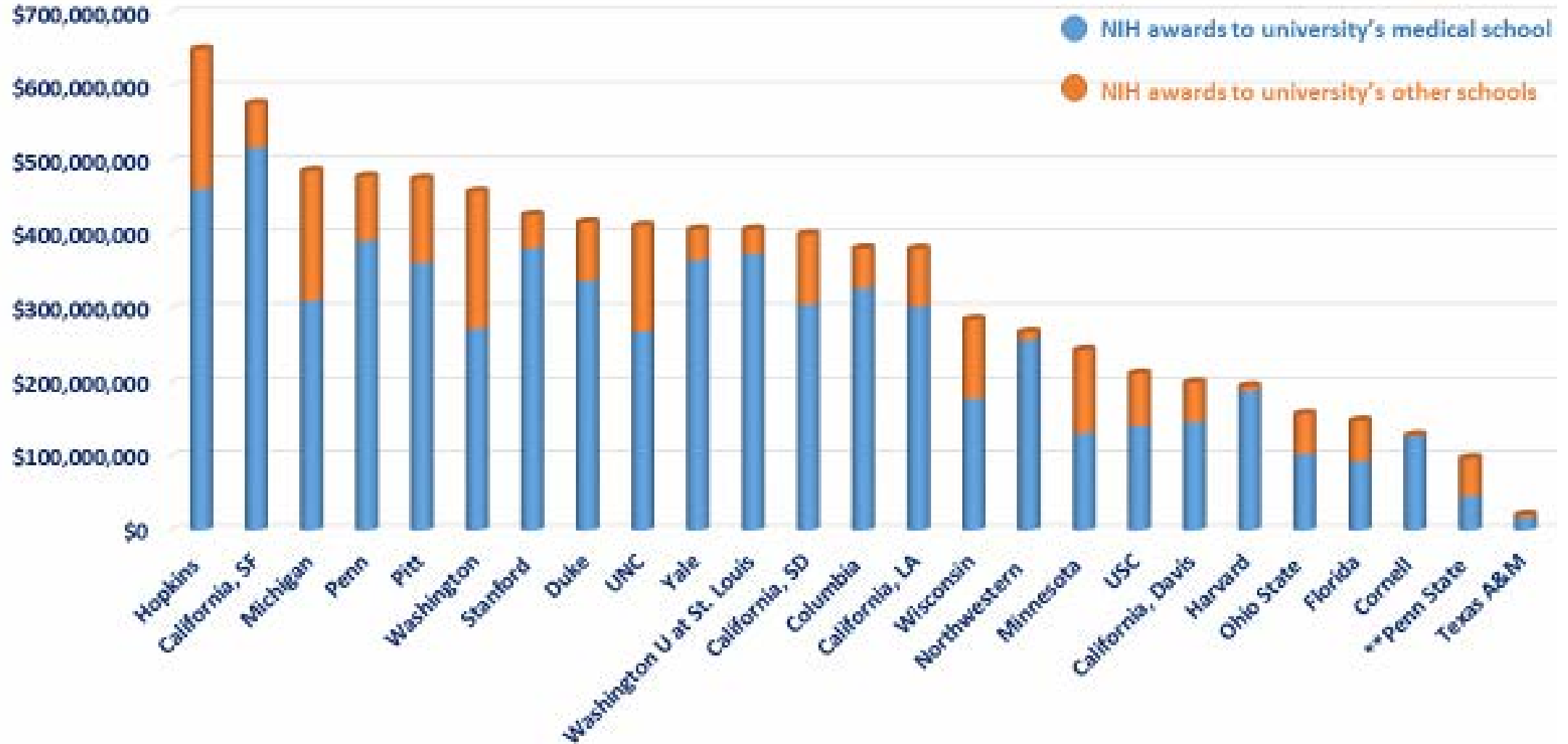


Where Penn State is positioned today

- Expenditures for Medical Research 4th lowest in the Top 25.
- \$229.9M for all Health Related Awards for FY 2017 (includes research, instruction, outreach and service).
- A widely distributed presence across the Commonwealth, including a Medical Center, College of Medicine and Extension Service.
- University Health Sciences Council working to integrate expertise across Penn State.



Penn State Health NIH Awards (FY16)



Penn State's Ability to Integrate is a Strength

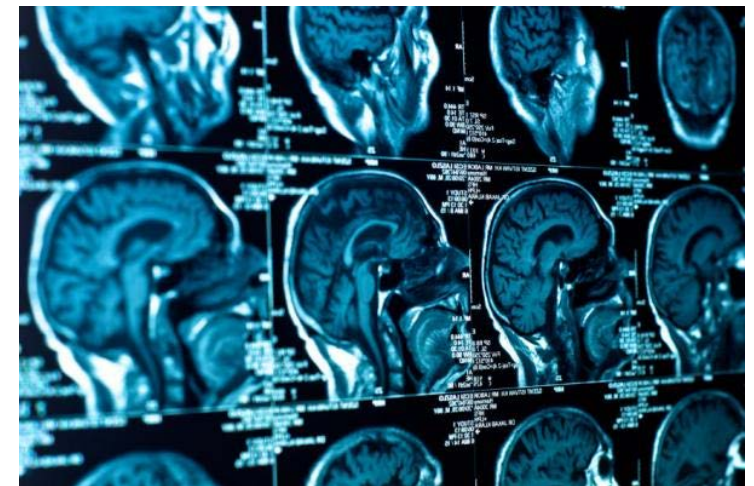


Huck Institutes of the Life Sciences

- Provides \$15M in support to co-fund faculty, students and research initiatives.
- 476 faculty members representing 7 colleges and 31 departments.
- 316 grad students, postdocs and staff.
- 10 Instrumentation facilities with state-of-the art equipment.
- 23 Research Institutes and Centers of Excellence:
 - Infectious Disease Institute: Targeting emerging infections and evolution of antibiotic resistance.
 - Center for Neural Engineering: New devices for medicine and convergence of Materials & Life Sciences.

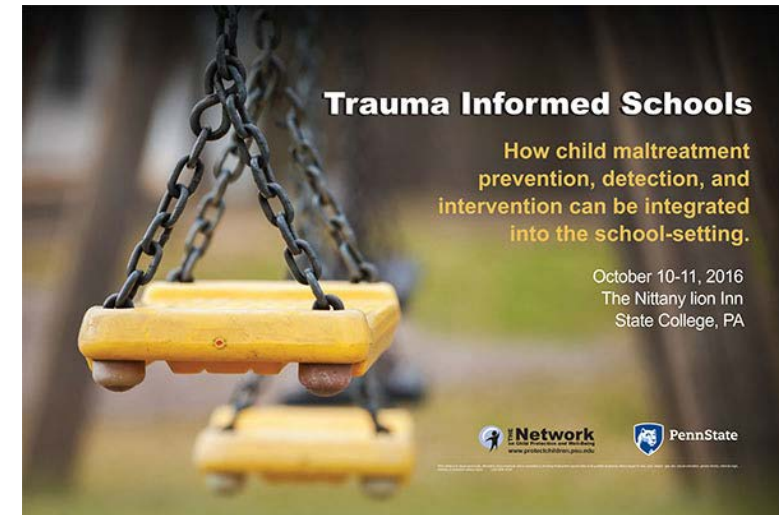
Population Research Institute

- 200+ affiliates, including 70+ research faculty, 40 teaching faculty, postdoctoral scholars, predoctoral trainees and professional staff.
- Established by Penn State and the NIH.
- Example: Studying racial/ethnic disparities in the kidney donation and transplant process.



Child Maltreatment Solutions Network

- 16 faculty and staff, 4 foundational centers, and 10 affiliates building a sustainable network of researchers and practitioners.
- 21 awarded grants totaling \$19M; 9 pending grants totaling \$11M; most are transdisciplinary collaborations across 5 colleges.
- \$7.7M award to support a new NIH Capstone Center
- Example: Penn State's "Child Health Study" with 1,200 children; designed to detect abusive head trauma in Pediatric ICU settings.



**Penn State's Goal is to Impact the World
through Human Health.
*How can we get there?***

Our Approach

1. Transform medical education to meet 21st century needs.
2. Promote collaborations across colleges and campuses.
3. Accelerate the process from discovery to clinical trials.
4. Promote health and wellness across the lifespan.



1. Transform medical education to meet 21st century needs.

- Personalizing Medical Education
- Global Health Experiences
- Research

Personalizing Medical Education

- Full curriculum at University Park
- New longitudinal integrated clerkships
 - York (caring for frail and elderly patients)
 - Summit Health (community health system)
 - Kaiser (care coordination/population health)
- Joint degree programs
 - MD/PhD, MD/MPH, MD/MBA
 - Coming 2018: MD/MEd
- Accelerated Programs
 - Family & Community Medicine
 - Emergency Medicine
 - Neurosurgery
 - Orthopedics



College of Medicine: Global Health



Impact of Global Health Experiences

ZAMBIA

1st year medical students participate in HIV and malaria research; in their 4th year, they care for patients at a mission hospital.

GHANA

Medical students and residents provide care at a rural hospital.

TAIWAN

Medical and graduate students research Taiwan's healthcare system and compare it to the US system.

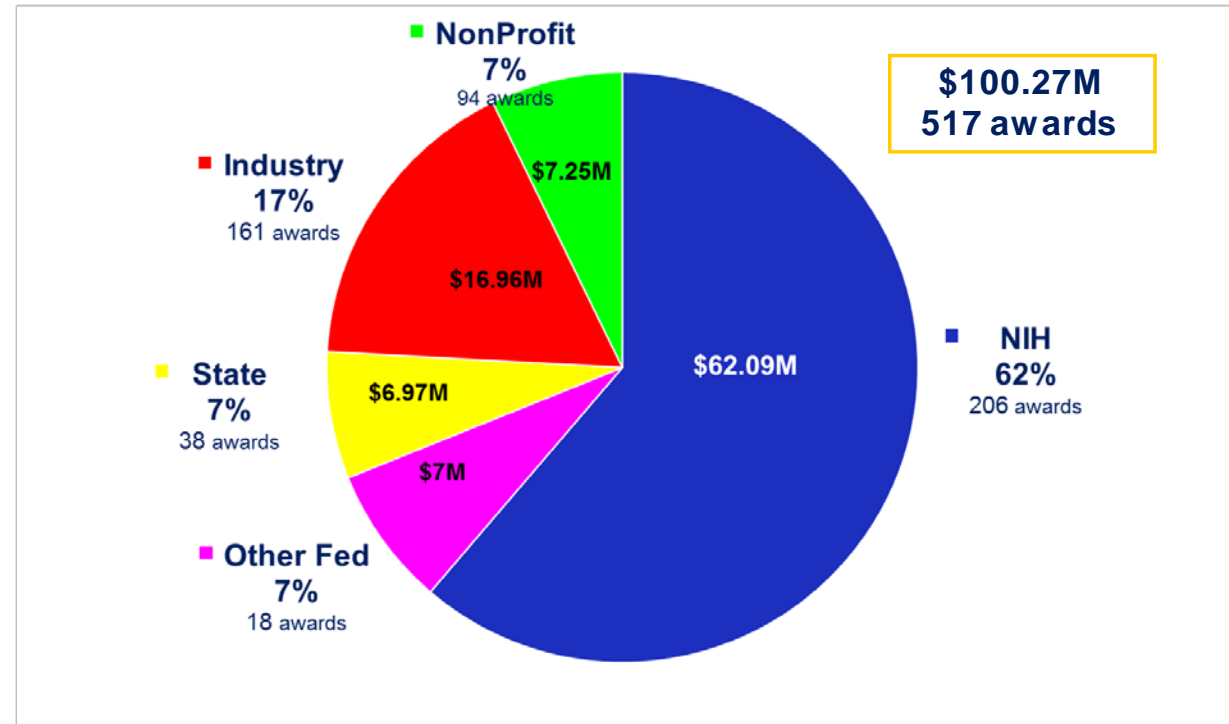


Hershey Medical Center/College of Medicine Research:

Two examples from 517 awards:

- Cross-campus grant on genomics (Computation, Bioinformatics and Statistics) to train scientists to analyze large data sets.
- 5-year \$9.7M project studying peripheral arterial disease.

Awards by Sponsor (FY 17)



2. Promote Collaborations Across Colleges and Campuses

- Agricultural Sciences
- Arts and Architecture
- Business
- Commonwealth Campuses
- Communications
- Education
- Engineering
- Health and Human Development
- Information Sciences and Technology
- Law
- The Liberal Arts
- Medicine
- Nursing
- Science

Research Projects and Activities that Cross Programs

- Address human exposure to air toxins in buildings.
- Teaching doctor-patient communication techniques by incorporating art history and painting practice.
- Using food science to improve health.
- Applying social and behavioral neuroscience to manage autism, memory and aging, social anxiety disorder, and health disparities.
- Develop genetic and cellular strategies for Alzheimer's disease, traumatic brain injury, diabetes, and cardiovascular diseases.
- Mine patient data to devise personalized medicine treatments.
- Develop smart drugs/drug delivery strategies.

Substance Abuse, Addiction and Prevention

- 100+ Penn State researchers and clinicians across 15+ colleges, departments and institutes.
- A 5-year \$21M award funds projects by the Penn State Tobacco Center for Regulatory Science.
- \$1M grant to establish medication-assisted opioid treatment program.
- Partners: National Institute of Drug Abuse, U.S. Food and Drug Administration, Caron Treatment Center, PA Department of Drug and Alcohol Programs.

Regenerative and Genetic Medicine

- Restoring organ function is now possible through recent advances in cell biology, genetics, and biomedical engineering.
- 20 PSU faculty working in stem cell biology, in vivo cell conversion, and CRISPR gene editing.



Prevention, Treatment and Cures for Cancer

- **Penn State Cancer Institute** is the centerpiece of our interdisciplinary efforts to fight cancer; catalyzing collaborations among cancer researchers across Penn State's colleges and campuses.
- 2,000+ patients actively participating in more than 200 clinical trials.
- Application underway to become an NCI-designated cancer center.
- Named among the “100 Hospitals and Health Systems with Great Oncology Programs” by Becker's Hospital Review.



A **QUALITY PROGRAM**
OF THE AMERICAN
COLLEGE OF SURGEONS

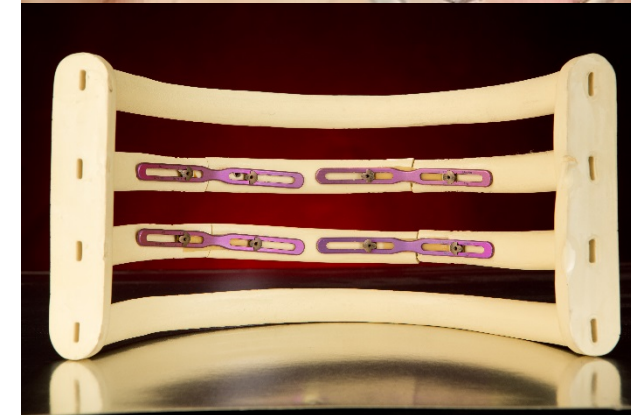
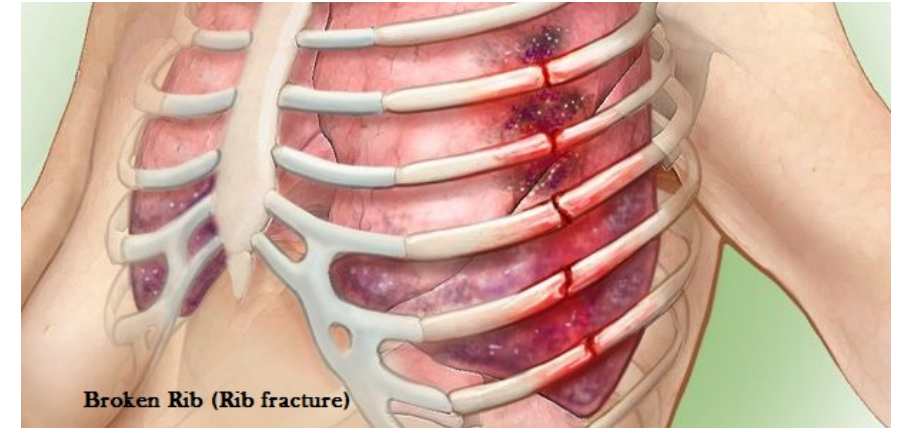
3. Accelerate the process from discovery to clinical trials.

- Innovation and Entrepreneurship
- Clinical and Translational Science Institute
- Technology

Center for Medical Innovation

Launched in 2017 to generate economic and social value for Penn State discoveries

- 47 new medical technologies added to intellectual property database
 - Medical devices
 - Therapeutics
 - Diagnostics
 - Others (IT, apps, medical food)
- 10 patents
- 2 start-up companies
- 3 license agreements



Medical student launches genetics research startup.

- Olivier Noel was named to *Forbes* “30 under 30” list in the science industry for his start-up company that facilitates genetics.
- In MD/PhD Medical Scientist Training Program

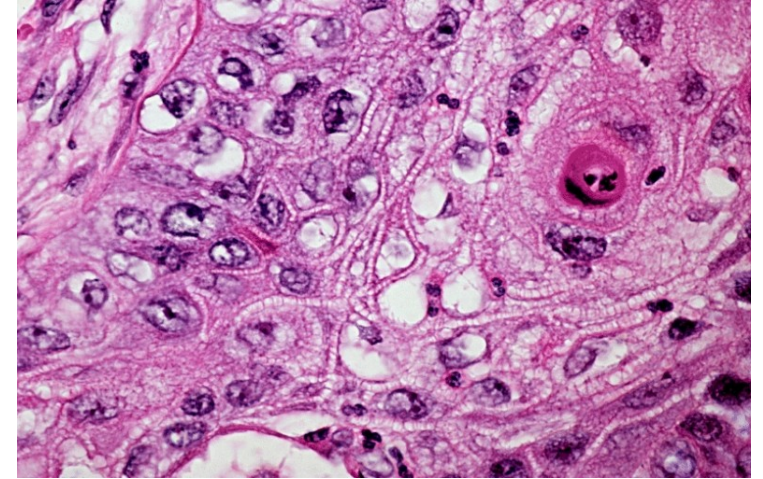


Clinical and Translational Science Institute

- Central infrastructure to catalyze to help build teams, and translate new research findings into tangible health benefits.
- Awarded a 4-year \$20M grant from the NIH to accelerate scientific discoveries into public health improvements

Example: fighting cancer:

- Five years ago researchers developed a compound derived from fish oil that cured leukemia in mice. It's now in clinical studies with leukemia patients.



Enhancing Access through TeleHealth

- **Tele-Stroke (LionNet)**
 - 16 hospitals
 - 88% patients remain in community
- **Tele-Derm**
 - New acne program
- **Tele-ALS**
 - 67 virtual visits / 43 patients
- **Tele-Psych**
 - Virtual visits with 16 patients in ED
- **e-ICU**
 - 56 beds and expanding
 - Chambersburg Hospital (August 2017)
 - Waynesboro Hospital (October 2017)



Dr. Zachary Simmons, in a telemedicine consultation with ALS patient



4. Promote Health and Wellness Across the Lifespan

- A Community Health System
- College of Nursing
- Research and Education Across Colleges

Patient Care: The Health Care Provider Landscape

- From Independents to Groups.
- Penn State Health is transitioning to a community health system.

The Landscape in 2011



The Landscape in 2017



College of Nursing

- Pre-licensure programs are preparing over 1,100 students for nursing careers.
- Second Degree option provides a 16-month pathway to nursing for 120+ students holding a bachelor's degree in another field.
- 84 licensed nurses engaged in primary care and acute care programs for nurse practitioners.
- Hershey Medical Center received the highest national honor for nursing excellence.



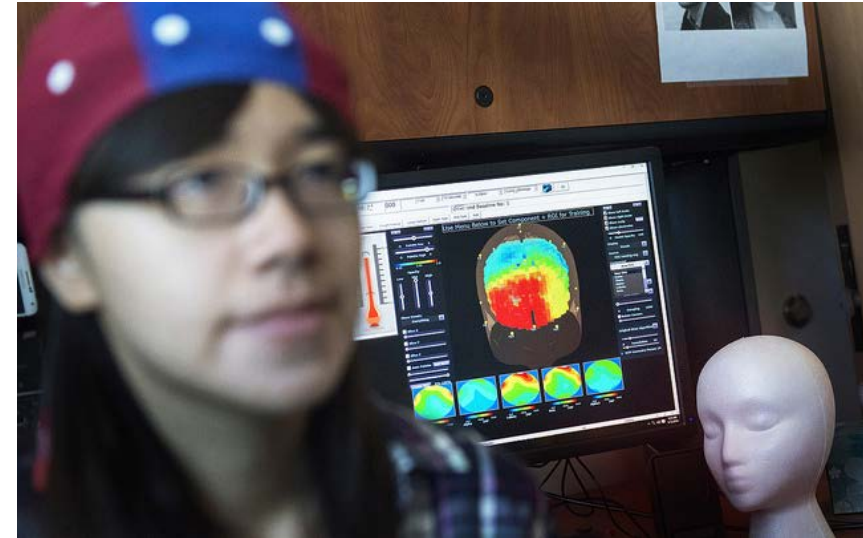
Nursing research

- Enhancing care of the victims of sexual assault and sex trafficking.
- Supporting family caregivers providing care across complex trajectories of multiple chronic conditions.
- Preventing the inappropriate use of medications in older adults.
- Developing an ultra-brief screening tool to identify patients experiencing delirium.
- Re-designing the delivery of interdisciplinary palliative care to provide timely interventions.
- Promoting organizational change in complex care delivery systems to improve outcomes.



Health and Human Development

- **Center for Individualized Health Research and Intervention:** leverage new technologies (wearable sensors), methods, and data sources (mobile phone apps) to establish, promote and sustain healthy behaviors.
- **Health disparities and vulnerable populations:** preventing cancer recurrence; understanding the long-term health consequences of child maltreatment; enhancing healthy aging; and food/water security and the health implications.



The Clearinghouse for Military Family Readiness

- Translational research to promote the health and well-being of military personnel and their families, such as: **Air Force Zero Suicide Systems Approach.** It's closing the gaps in care systems to decrease suicides.



Summary: Impacting the world through human health

Stepping forward as the higher education leader in:

Research: Generating knowledge and technology that will drive new advances in population health.

Education: Preparing a workforce that is both highly trained and highly adaptable.

Service: Partnering with health care professionals to address urgent problems and to promote wellness.



Requirements

- Engaging partners across the University and beyond to expand biomedical and health sciences at Penn State.
- Enhance collaboration among College of Medicine, UP Colleges and Commonwealth Campuses.
- Nurture new strategic priorities centered on health.
- Partnering with lead donors in *A Greater Penn State for 21st Century Excellence*.



Discussion Questions?



PROPOSED AMENDMENTS TO THE CHARTER AND THE BYLAWS

DRAFT: July 5, 2017

Approved by the Committee on Governance and Long-Range Planning

on September 14, 2017

PROPOSED AMENDMENT TO THE CHARTER

COMPENSATION OF TRUSTEES. Members of the Board of Trustees serve as volunteers and shall not be compensated for their services. ~~Trustees may be reimbursed upon request for transportation and other direct expenses while engaged in the discharge of their official duties, in accordance with the University's travel reimbursement policies in effect from time to time.~~ (Decree of the Court of Common Pleas of Centre County, June 15, 1915, No. 162, May Term, 1915; Resolution of the Board of Trustees, May 3, 2013); Resolution of the Board of Trustees, _____, 2017.)

PROPOSED AMENDMENTS TO THE BYLAWS

Section 2.12 Compensation; Reimbursement of Travel Expenses. Members of the Board of Trustees serve as volunteers and ~~shall~~ not ~~be~~ compensated for their services. ~~Trustees may be reimbursed upon~~ Upon the request ~~for of a Trustee, the University shall reimburse the Trustee's reasonable direct travel expenses, including~~ transportation ~~and other direct~~ expenses, incurred while ~~the Trustee was~~ engaged in the discharge of ~~their~~ his or her official duties; Reimbursement of travel expenses shall be determined in accordance with the University's travel reimbursement policies in effect from time to time.

ARTICLE IV

LIABILITY AND INDEMNIFICATION

Section 4.01 Personal Liability of Trustees for Monetary Damages.

(a) Elimination of Liability. To the fullest extent that the laws of the Commonwealth of Pennsylvania, as now in effect or as hereafter amended, permit elimination or limitation of the liability of Trustees for monetary damages, no Trustee of the University shall be personally liable for monetary damages as such for any action taken, or any failure to take any action, as a Trustee.

(b) Nature and Extent of Rights. The provisions of this Section shall be deemed to be a contract with each Trustee of the University who serves as such at any time while this Section is in effect and each such Trustee shall be deemed to be so serving in reliance on the provisions of this Section. Any amendment or repeal of this Section or adoption of any Bylaw or provision of the Articles of the University which has the effect of increasing Trustee liability for monetary damages shall operate prospectively only and shall not affect any action taken, or any failure to act, prior to the adoption of such amendment, repeal, Bylaw or provision.

Section 4.02 Indemnification.

(a) Right to Indemnification.

(i) As used herein, the word "Action" shall mean any action, suit or proceeding, administrative, investigative or other, ~~(i) to A) in~~ which such person is named as a party defendant (other than in an action, suit or proceeding by the University) or ~~(ii) B)~~ in connection with which such person is not a party named as a defendant but is a witness, subject to investigation or otherwise involved, in either case by reason of such person being or having been a Trustee or officer of the University or by reason of such person serving or having served at the request of the University as a director, officer, employee, fiduciary or other representative of another corporation, partnership, joint venture, trust, employee benefit plan or other entity.

(ii) Except as prohibited by law, each Trustee and officer of the University shall be entitled as of right to be indemnified by the University against expenses and any liability paid or incurred by such person ~~(i) in defense of any Action to which such person is a party or (ii) in connection with any other~~ Action.

~~(iii)(iii)~~ Except as provided in Section 4.02(c) below, the University shall not indemnify any Trustee or officer, or pay, advance or reimburse any Trustee or officer, for any legal fees and expenses incurred in connection with any action, suit or proceeding, administrative, investigative or other, which such Trustee or officer brings, directly or indirectly, against the University, the Board of Trustees or any officer, Trustee, employee, agent or representative of the University or the Board of Trustees.

(iv) A person who is not a Trustee or officer of the University may be similarly indemnified in respect of service to the University to the extent the Board of Trustees at any time designates such person as entitled to the benefits of this Section. The Board of Trustees has delegated to the Vice President and General Counsel the authority to make the determination, after consideration of relevant facts and circumstances, as to whether a person who is not a Trustee or officer of the University shall be indemnified in respect of his or her service to the University pursuant to this paragraph.

(v) As used in this Section, "indemnitee" shall include each Trustee and each officer of the University and each other person designated by the Board of Trustees as entitled to the benefits of this Section; "liability" shall include amounts of judgments, excise taxes, fines, penalties and amounts paid in settlement; and "expenses" shall include fees and expenses of counsel incurred by the indemnitee only ~~(i) A)~~ if the University has not at its expense assumed the defense of the Action on behalf of the indemnitee with reputable and experienced counsel selected by the University, or ~~(ii) B)~~ if it shall have been determined pursuant to Section (c) hereof that the indemnitee was entitled to indemnification for expenses in respect of an Action brought under that Section.

(b) Right to Advancement of Expenses. Every indemnitee shall be entitled as of right to have his expenses in defending any Action paid in advance by the University, as incurred; provided, however, that the University receives a written undertaking by or on behalf of the indemnitee to repay the amount advanced if it should ultimately be determined that such person's conduct was such that the University is prohibited by law from indemnifying such person.

(c) Right of Indemnitee to Initiate ~~Action~~Suit against the University; Defenses.

(i) If a written claim for indemnification or advancement of expenses under paragraph (a) or paragraph (b) of this Section is not paid in full by the University within thirty days after such claim has been received by the University, the indemnitee may at any time thereafter commence a lawsuit to recover the unpaid amount of the claim and, if successful in whole or in part, the indemnitee shall also be entitled to be paid the ~~expense~~reasonable expenses of prosecuting such ~~action~~suit.

(ii) The only defenses to a lawsuit to recover a claim for indemnification otherwise properly asserted under paragraph (a) shall be that the indemnitee's conduct was such that under applicable law the University is prohibited from indemnifying the indemnitee for the amount claimed, but the burden of proving any such defense shall be on the University.

(iii) The only defense to a lawsuit to recover a claim for advancement of expenses otherwise properly asserted under paragraph (b) shall be that the indemnitee failed to provide the undertaking required by paragraph (b), but the burden of proving any such defense shall be on the University.

(d) Non-Exclusivity; Nature and Extent of Rights; Insurance. The rights to indemnification and advancement of expenses provided for in this Section shall (i) not be deemed exclusive of any other rights to which any indemnitee may be entitled, (ii) be deemed to create contractual rights in favor of each indemnitee who serves the University at any time while this Section is in effect (and each such indemnitee shall be deemed to be so serving in reliance on the provisions of this Section), and (iii) continue as to each indemnitee who has ceased to have the status pursuant to which he was entitled or was designated as entitled to indemnification under this Section and shall inure to the benefit of the heirs and legal representatives of each indemnitee. The University may provide, at its cost, insurance, or may self-insure, to protect itself and any Trustee, officer, agent or employee eligible to be indemnified hereunder against any liability or expense whether or not the University would have the power to indemnify such trustee, officer, agent or employee.