

## GOVERNANCE PROPOSALS DISCUSSION DRAFT: PRINCIPAL TERMS

Current Status	Proposal C
<b>Board Size</b>	
30 Voting <u>2</u> Non-Voting <b>32</b> Total	18 Voting <u>2</u> Non-Voting <b>20</b> Total
<b>Composition</b>	
<b>5 <i>Ex Officio</i></b> 3 <i>Ex Officio</i> Voting: Secys of: Agriculture Education Conservation & Natural Resources 2 <i>Ex Officio</i> Non-Voting: Governor President	<b>2 <i>Ex Officio</i></b> 0 <i>Ex Officio</i> Voting (Secys of Agriculture and Conservation & Natural Resources no longer on Board in any capacity) 2 <i>Ex Officio</i> Non-Voting: Secy of Education President (Governor no longer on Board in any capacity)
<b>6</b> Gubernatorial Trustees* (nominated by the Governor) *includes one student	<b>2</b> Gubernatorial Trustees
<b>6</b> Business and Industry Trustees (nominated by B & I Selection Group; elected by Board)	<i>0 B &amp; I Trustees</i>
<b>6</b> Agricultural Trustees (elected by agricultural org. delegates)	<i>0 Ag Trustees</i>
<b>9</b> Alumni Elected Trustees	<b>7</b> Alumni Elected Trustees
<i>0 Alumni Association (PSAA) Trustees</i>	No change
<i>0 Student Trustees (as of right) (currently 1 student is nominated by Governor as a Gubernatorial Trustee)</i>	<b>1</b> Student Trustee elected by the Board after nomination by the Student Trustee Selection Group; student to serve a 2-year term
<i>0 Academic Trustees</i>	No change
<i>0 At Large Trustees</i>	<b>8</b> At-Large Trustees Appointed by Board

<b>Transition Period</b>	
N/A	TBD
<b>Selection Method</b>	
Ag Trustees are elected by Agricultural Societies or Associations of the Commonwealth that were in existence at least 3 months before the election and notified the University at least 60 days before the election of their participation. Each society is invited to send up to 3 delegates. “Societies shall endeavor to select delegates that reside in the county they represent.” Each delegate must have appropriate credentials provided by the societies and no proxies are permitted	N/A
B & I Trustees are selected by a selection group composed of <b>5</b> members: <b>3</b> B & I Trustees not up for re-election and <b>2</b> from among the Ag, Alumni Elected and Gubernatorial Trustees. Members of the Group are appointed annually by the Chair	N/A
N/A	A <b>5</b> -member subcommittee of the Governance and Long-Range Planning Committee (the “Selection Subcommittee”) would be formed to recommend the Board Appointed Trustees for Board appointment; the Selection Subcommittee would be made up of the Board Chairman with the remainder to be as balanced as possible among the Board Appointed Trustees, Gubernatorial Trustees and Alumni Trustees
<b>Committee Membership</b>	
Members, chairpersons and vice-chairpersons of standing committees selected by the Chair of the Board of Trustees <ul style="list-style-type: none"> <li>• Emeritus Trustees may serve on Committees if asked by the Chairman</li> </ul>	Members, chairpersons and vice-chairpersons of standing committees recommended by the Selection Subcommittee with recommendations by the Board Chair (including filling any vacancies). Committee membership and leadership must be ratified by the full Board <ul style="list-style-type: none"> <li>• Remove Emeritus Trustees from committee service</li> </ul>

## GOVERNANCE PROPOSALS DISCUSSION DRAFT: PRINCIPAL TERMS

<b>Other</b>	
N/A	“3x3x3” meetings each semester as recommended in Faculty Senate Report <sup>1</sup>
N/A	Presentations by the PSAA at each Board meeting
N/A	Create an Emeritus Advisory Council to advise Chairman of the Board and/or the Board at the Chairman or the Board’s request
Trustees that have served more than 20 years are automatically provided with emeritus status	Only Trustees that have exhibited distinguished service will be provided with emeritus status; Selection Subcommittee will recommend to the Board those former trustees who should be awarded emeritus status
N/A	Board approval required for any expenditure of more than \$5 million that was not included in the budget or that is reasonably expected to engender large and ongoing expenses of more than \$5 million not already addressed in the budget
“Family members” is defined as spouse and children	“Immediate family members” is defined to include a person’s spouse, parents, children, siblings, mother and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person’s home
Conflict of interest policy requires disclosure related to spouse and children	Conflict of interest policy will require disclosure related to all Immediate family members and the policy shall provide that in any public disclosure of conflicts of interest the disclosure will be made on an individualized basis

<sup>1</sup> The Faculty Senate Report discussed the adoption of “three-by-three-by-three” meetings each semester among the leadership and executive staff of the Board, the Faculty, and the University. For example, at the University of Minnesota, this 3x3x3 structure consists of: (1) the Board Chair, Vice-Chair, and Executive Director, (2) The Chair of the Faculty Senate’s Faculty Consultative Committee (the “FCC”), the FCC’s Vice-Chair and Secretary to the Faculty, and (3) the President, Provost, and President’s Chief of Staff. These meetings would facilitate communications among the various groups responsible for efficient university governance.

<p>Trustee can become an employee of the University within 5 years of departure if approved by the Board</p>	<p>Trustee cannot become an employee of the University within 5 years of departure</p>
<p>N/A</p>	<p>Full Board approval required for any action that might have a significant impact on the University of a financial or reputational nature</p>
<p>Term limits of 12 years, effective July 1, 2013. Term limit does not apply to trustees while serving as Chair of the Board—such trustees are eligible for reelection/reappointment. For trustees whose terms began before July 1, 2003, a 15-year term limit applies commencing on that date.</p>	<p>Any trustee whose term exceeds 12 years is ineligible for reelection, including Chair and any Vice-chair</p>
<p>Minutes of executive committee action provided to all trustees at next regularly scheduled meeting</p>	<p>Minutes of executive committee action to be delivered to full Board within 3 days of any meeting of the executive committee</p>
<p>N/A</p>	<p>Any Board member can attend any meeting called by the Chair, as well as meetings of committees and subcommittees, except for those Board members who may have a conflict with regard to the matter under discussion</p>
<p>N/A</p>	<p>Each Dean of a Penn State college will have the ability to nominate up to 2 candidates for consideration by the Selection Subcommittee for Board Appointed Trustees. Members of the Board and general public can also nominate candidates for consideration. Candidates need not be Penn State alumni</p>