

PENNS<sup>T</sup>ATE

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**Meetings of the Board of Trustees**

**February 17, 2014**

# **Minutes**

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BOARD OF TRUSTEES  
VOLUME 276  
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**BOARD OF TRUSTEES**

VOLUME 276  
February 17, 2014

A special meeting of the Board of Trustees was held in Dean's Hall of the Penn Stater Conference Center Hotel, University Park, Pennsylvania, at 12:00 p.m. on February 17, 2014, to consider a Presidential appointment.

The following Trustees were present: Masser (chairman), Silvis (vice chairman), Alexander, Arnelle, Broadhurst, Brown, Casey, Dandrea, Doran, Erickson, Frazier, Harpster, Huber, Khoury, Lubrano, McCombie, Myers, Oldsey, Peetz, and Shaffer. Trustees who attended by phone were: Clemens, Cotner, Eckel, Greig, Strumpf, and Taliaferro. Emeritae Trustees Coppersmith and Riley were also present.

Present by invitation were faculty representatives Kulikowich and Yarnal; student representatives Droelle, Mullen, and Rager; Academic Leadership Council chair Dewey; committee staff representatives Egolf, Hubler, Salvino, Shaffer, and Warner; staff members Andrews, Basso, Bowen, DiRaimo, Dunham, Gray, Guadagnino, Hanes, N. Jones, T. Jones, Joyner, Kirsch, Mulroy-Degenhart, Pangborn, Paz, Poole, Sharkey, Sims Volkmann, and Weidemann.

Chairman Masser's opening remarks are included as follows:

"This special meeting of the Board of Trustees is being held to consider and vote on Penn State's 18th President. This morning, the Trustees met in executive session to discuss this matter.

"In accordance with our *Bylaws*, we have provided teleconference capabilities for trustees not able to attend and vote in person.

"I would like to now call this meeting to order. Jeanie, will you please call the roll?"

The roll was called by Janine Andrews, Associate Secretary of the Board.

Chairman Masser continued:

"Ok. Those of you who are on the phone please mute the phone now so we can take care of the background noise.

"In March 2012, our 17th President, Rodney Erickson, announced his intention to retire by June 30, 2014. In November 2012, a thirteen-member Trustee Presidential Selection Council was named, and that Council was later augmented with the addition of Bill Oldsey.

"In January 2013, the eighteen-member Presidential Search and Screen Committee was named with Nan Crouter, Dean of the College of Health and Human Development as chair. Dan Hagen, then immediate past chair of the University Faculty Senate, professor of Animal Science in the College of Agricultural Sciences, and current Executive Director of the University Faculty Senate was named as vice chair.

"It has been a privilege and honor to work with both groups and the larger University community on the important task of identifying our next leader. The process has been the most collaborative experience of my professional life, and I am proud to have been part of it.

"Let me now turn to Kathy Casey, Vice Chair of the Committee on Compensation, to review the parameters of the employment contract for the Presidential appointment. Our chair of the committee is on the phone, but Kathy will take over because she is here in person."

Vice Chair Casey reported that the public meeting of the Committee on Compensation was for the sole purpose of considering the terms of a Presidential appointment.

Vice Chair Casey asked that Janine Andrews, Associate Secretary of the Board, call the roll for the Committee. A quorum of the Committee was found to be in attendance.

Vice Chair Casey reported that the Committee met in executive session earlier in the day to consider the detailed terms of a Presidential appointment. Casey provided a review of several terms of the appointment:

"The term of the appointment will begin May 12, 2014 and run through June 30, 2019. In addition, we are pleased with the possibility of the candidate joining us as "President-elect" on a date prior to the official May 12 start date. Such an arrangement will allow for an efficient transitional period. The initial annual salary, which will be reviewed annually, will be \$800,000. There will be a one-time transition payment of \$200,000, payable shortly after the candidate takes office.

"A \$200,000 retention payment will be paid at the end of each of the second through fifth years if the candidate remains in the position at the end of each such year; and, there will be a completion payment of \$1,000,000 paid upon the completion of the full five year term.

"The candidate will hold a faculty appointment in the candidate's area of discipline, and the individual will be considered for a granting of tenure under the University's immediate tenure review process. Salary upon return to a faculty appointment would be set at the average base salary of the highest three, tenured faculty members in the candidate's department.

"The President will reside in Schreyer House, with utilities and house maintenance included, and will reimburse the University for any personal items purchased with University funds.

"Other reasonable and customary benefits will also apply for this type of appointment. The full Presidential Appointment Terms will be posted later today on the Board of Trustees website.

"I would like to note that our compensation consultant has found the proposed compensation package for the President to be reasonable based upon their assessment of the peer market compensation levels."

The Committee, by motion, recommended the adoption of the appointment terms to the full Board.

As there was no other business to come before the Committee, the committee meeting was adjourned.

Chairman Masser then called for remarks from the chair of the Trustee Presidential Selection Council, Karen Peetz.

Chair Peetz provided information about the role of the Search and Screen Committee; its membership; and the structural dynamics of the committee. Chair Peetz described the scope and outreach of the candidate search, including engagement with University stakeholders to identify important traits and attributes of the University's next President. She further stated that the Committee had several opportunities to meet with candidates, and to provide feedback to the Presidential Selection Council.

On behalf of the Trustee Presidential Selection Council, and with the support of the University Presidential Search and Screen Committee, Dr. Eric James Barron was nominated by Chair Peetz to assume the Presidency of The Pennsylvania State University on or before May 12, 2014.

Chair Masser thanked Chair Peetz and called on the Board for additional nominations. There were none.

The Board Office staff distributed a resolution on the matter of appointment to the voting members of the Board for the election of the President.

Chair Masser continued:

"Before each of you is a resolution to appoint Eric Barron as Penn State's next president. For the benefit of Board members in attendance via teleconference and the public in attendance or watching via video stream, let me read the resolution into the record:

RESOLVED, That the Board of Trustees hereby approves Eric James Barron to the position of President of The Pennsylvania State University, effective on or before May 12, 2014, on substantially the terms set forth in the Presidential Appointment Terms recommended by the Committee on Compensation and presented to the Board in executive session.

Trustee Peetz has nominated Eric Barron as Penn State's 18th President? Is there a second?"

A second to this nomination was provided by Trustee Alexander, who shared her endorsement of Dr. Barron's suitability as a leader for the University.

Chair Masser continued:

"Any discussion from members of the Board?"

Trustee Lubrano read a statement entitled "Dare To Be Great," a copy of which is included as Appendix I.

[Appendix I]

Trustee Myers shared his endorsement of the selection of Dr. Barron. Trustee Eckel urged the Board to support the appointment of Dr. Barron, and congratulated Chair Masser and Chair Peetz on their leadership of the selection committees.

Chair Masser continued:

"Before I call for a formal vote, I would like to allow time for comments from a few of our University colleagues who served on the University Presidential Search and Screen Committee. They each represent different constituents and can offer unique perspectives on Dr. Barron that I hope you'll find helpful before voting."

The following members of the University community provided comments in support of the nomination of Dr. Barron:

- Brent Yarnal, Chair, University Faculty Senate; Professor of Geography in the College of Earth and Mineral Sciences; Member of the University Presidential Search and Screen Committee
- Katelyn Mullen, President, University Park Undergraduate Association; Senior in Supply Chain and Information Systems at University Park; Member of the University Presidential Search and Screen Committee

- Tim Whitehill, Application System Analyst Manger, University Budget Office; Member of the University Presidential Search and Screen Committee
- David Han, Associate Professor of Surgery and Radiology, Penn State Milton S. Hershey Medical Center; Past President, Penn State Alumni Association; Member of the University Presidential Search and Screen Committee and the Trustee Presidential Selection Council
- Nan Crouter, Chair, University Presidential Search and Screen Committee; Dean, College of Health and Human Development

Chair Masser continued:

"I will now call on a vote to name Eric Barron President of The Pennsylvania State University, effective on or before May 12, 2014.

"All those in favor say 'Aye.' ["Ayes were stated in both the meeting room and telephonically]

" Opposed by the same sign? [There were no opposing votes cast]

"Hearing none, the motion carries, and let the record reflect the Board has unanimously approved this resolution.

"On behalf of the Penn State Board of Trustees and the Penn State community, it is a great honor to welcome Eric and Molly Barron back to Penn State. [Applause]

"At this time, I'll turn the podium over to our current President, Dr. Rodney Erickson."

Dr. Erickson's remarks are included as follows:

"With 24 campuses and a World Campus, 98,000 students, a medical center, a law school, an \$850 million research program, a \$4 billion-plus operating budget, and 31 intercollegiate sports, Penn State is an exceptionally large and complex University.

"Finding a candidate with the right skillset and commitment to the land-grant mission was no easy task, and certainly one that could not be rushed. I commend the Search and Screen Committee and the Presidential Selection Committee on their thorough, deliberate and thoughtful approach to the process. Today, we celebrate the result of your hard work and due diligence.

"In Eric Barron, you have found a leader who will help realize the very best of this institution, and will successfully lead Penn State into the future.

"I have known Eric for 28 years, and can unequivocally say that he is a person of the highest integrity. He has strong academic values; he loves working with students; he's an excellent problem solver; he is committed to the land-grant mission; and he knows how to make the most of the resources he has available. Eric has always been an enthusiastic and supportive voice for Penn State, and he has my unqualified support as he takes on this crucial role at this historic moment. I offer him my full assistance during the transition, and I congratulate the entire University community on landing both Eric and Molly Barron.

"Molly is also a very special person and one who will be an advocate and enthusiastic ambassador for Penn State. I know you will enjoy getting to know both Molly and Eric. The Penn State Presidency couldn't be in better hands.

"Without further comment, I'd like to invite Eric Barron, Penn State's 18th President, to the podium. Congratulations." [Applause]

President-Elect Barron's remarks are included as follows:

"Thank you for the honor of leading this truly great University. I am much more than pleased to accept. It's truly my pleasure. My wife Molly and I spent twenty years here, faculty member, center director, Dean. In that time, I learned what it meant to continually strive for excellence and make every year stronger than the year before, and I have to stay that from my four years as Dean, Rod Erickson was my boss, but he was much more than that, he was my mentor, and I honor him for it, and how he impacted my career and my life. I also came to understand the power of community at Penn State. We are simply unbeatable when we are working together for a common purpose.

"I've taken those two Penn State traits, the push for excellence, and the power of community, everywhere I have gone. So in many ways, I never left Penn State. Penn State lives here [gestured to heart], Penn State lives here [gestured to head], and it is a great pleasure to be about to live here [gestured to ground].

"And in true Penn State fashion, for every job that I've accepted, I've set the same goal, and asked the same question of myself; How do you make a great institution even better? That defines my job. It reminds me of a story that I like to tell about learning to drive with my father. It was an exercise in constantly correcting and over-correcting, as you might imagine, driving down the road. And my father said, 'Eric, lift your head up instead of driving by looking at the hood ornament,' of course that dates me, right? 'Lift your head up, and look down the road. And if you look down the road, you will discover it is much easier to get to where you're trying to go.' And at the time, I thought that was a pretty good driving lesson, because when I lifted my head up above that hood ornament, I definitely had a much better driving experience, but I also came to realize that this was a philosophy to live by.

"Our job, all of our job, is to see down the road, sense the future, and ensure that this great institution is at the forefront of success and achievement. And there are enormous opportunities ahead. And we could sit and talk about them, but I'll just give you a single example. And I hope in the process that you'll forgive me for one more automotive analogy.

"There should be a universal question in higher education today. Why don't students take full advantage of the breadth and depth of a university? Why don't we take full advantage of all those things we might do as a student? If you view Penn State as sort of the educational equivalent of America's sports car, a blue and white Corvette, if you will, or pick Mustang, you pick the brand you're most interested in. But you view yourself as that blue and white educational equivalent of America's sports car. We need to ask, why is it that so many students drive at 20 miles an hour, when there is so much that is worthwhile? If we can engage students, in and outside of the classroom, then I'm absolutely convinced that they'll be happier, they'll make better choices in life, they'll have stronger resumes, and they'll get better jobs. So this is a key opportunity. The opportunity to provide a University and to engage students, so that they put this great University through its paces, as opposed to driving at 20 miles an hour. My bet is that Penn State can do this better than any other institution with incredibly positive outcomes for our students.

"It's one example, with more to come, hopefully. With one goal, to make a great University even greater. I want to thank you, again, for placing your trust in me. My wife, Molly, and I are a team and we intend to make you very proud. Thank you." [Applause]

Chairman Masser concluded with the following remarks:

"Dr. Barron, your father would have made a great farmer, that's precisely the advice that you give someone when you want to plow a straight furrow. We look forward to your upcoming leadership with enthusiasm and excitement. Eric and Molly, we are delighted to welcome you back to Penn State."

There were no other matters presented to the Board. The meeting adjourned at 12:41 p.m.

Respectfully submitted,

Janine S. Andrews  
Associate Secretary  
Board of Trustees



## Anthony P. Lubrano

**DARE TO BE GREAT**  
**Special Meeting of the Penn State Board of Trustees**  
**February 17, 2014**

Chairman Masser, Members of the Penn State Board of Trustees and Dr. Barron:

"Dare to be great." Those were the words Joe Paterno once shared with some of us in attendance during a meeting of Penn State's "Grand Destiny" fundraising campaign. Prior to the start of this historic effort, we learned that our goal was to raise \$800 million in private funding. But Joe, who along with Sue Paterno served as the Honorary Chairs of the campaign, told us, as only he could, "It's not enough. One Billion. That's the goal!" Having never raised more than \$400 million during a campaign, we wondered aloud. Why do you think we can raise \$1 Billion? Joe's response was in typical Paterno fashion: "Dare to be great!"

In a sense, Dr. Barron, your challenge is precisely the one Joe Paterno put to us more than 15 years ago: "Dare to be great!" Recognize, however, that this will not be easy. You join us at a time when many in the Penn State community are still deeply hurting. And the elephant in the room remains the same as it did November 9, 2011-- a man named Paterno.

Thankfully, Dr. Barron, you have extensive experience with such matters. Not long ago, in fact, while serving as Florida State's President, you demonstrated great courage and true leadership when some in the media and public were quick to condemn and convict one of your student-athletes. Your statement at the time resonated within the Penn State community.

*"Florida State University has a primary purpose to educate young people while enabling them to hone their skills and develop their gifts so they can become productive citizens. It is also our responsibility to treat students fairly and provide appropriate support."*

*"Recent weeks have provided a painful lesson, as we have witnessed harmful speculation and inappropriate conjecture about this situation and the individuals involved. As a result, we have all been hurt."*

*"A respect for the principle of due process is essential to the integrity of our community. Our commitment to each and every one of our students is unwavering and will remain our priority."*

I hope the winds of change are blowing in the form of a renowned climatologist named Dr. Eric J. Barron. It's time to bring us all home. We want to return. We want to heal. We just need a leader to show us the way.

We were fortunate to have had a great President in Graham Spanier and an even greater humanitarian in Joe Paterno. Now, Dr. Barron, it's time for you to leave your imprimatur on Penn State. But remember, as my late mother would often remind me, "Leadership sometimes requires standing by oneself."

Let me leave you with this story. On January 10, 2012, I spent time with Joe Paterno. During that time, I discussed with him the fact that as a result of his firing, so many in the Penn State community came together who ordinarily would not have interacted with each other. His reaction was typical Joe. With his left hand, he pointed at me and said, "This isn't about me. This is about our school and leaving it in a better place than we found it!"

So there you have it. The gauntlet has been put down by none other than Joe Paterno.

I end where I began.

"Dare to be great!"

WE ARE...and still very, very proud of it.

Congratulations and welcome back Dr. Barron. I look forward to working with you.