

PENNS^TATE



Meetings of the Board of Trustees

January 17, 2014

Minutes

**MINUTES OF MEETINGS OF
BOARD OF TRUSTEES
VOLUME 275
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MINUTES OF MEETING
BOARD OF TRUSTEES

VOLUME 275
January 17, 2014

A meeting of the Board of Trustees was held in Dean's Hall of the Penn Stater Conference Center Hotel, University Park, Pennsylvania, at 1:30 p.m. on January 17, 2014.

The following Trustees were present: Masser (chairman), Silvis (vice chairman), Alexander, Arnelle, Brown, Casey, Cotner, Dambly, Dandrea, Doran, Eckel, Erickson, Ferretti, Frazier, Greig, Harpster, Hintz, Huber, Khoury, Lubert, Lubrano, McCombie, Myers, Oldsey, Shaffer, Strumpf, and Taliaferro. Emeriti Trustees Jones, Riley, and Robinson were also present.

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

Chairman Masser's opening remarks are included as follows:

"Good afternoon and welcome. In keeping with our efforts to stay on schedule, I'll be brief.

"I know that everyone is eager to know how the presidential search is progressing. While I don't have any definitive news, I can say that we are on pace to name the next president of Penn State in the months ahead, and we appreciate your patience in this process."

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 meeting of the Board held on November 22, 2013.

Chairman Masser continued:

"At this time, I would like to ask President Erickson to present his informational report."

President's Report

Dr. Erickson's report is included as follows:

"Thank you, Keith and Happy New Year. 2014 is off to a great start at Penn State, and we're fortunate to begin the year with a few new outstanding leaders.

"Last week, Amr Salah Elnashai began his tenure as dean in the College of Engineering, and you'll have the opportunity to meet him in coming months. On February first, Penn State Brandywine will welcome a new chancellor--Kristin Woolever, who comes from Prescott College in Arizona, where she served as President. She too is looking forward to getting started.

"As you know, on Saturday we welcomed Penn State Football's 16th head coach, James Franklin, to the Nittany Nation. Within hours, our downtown merchants had welcome messages in their store windows, and the Family Clothesline even ran a contest for t-shirt slogans, which prompted suggestions like '*Bankin' on Franklin*' and '*James Wins Games*.' We owe our gratitude to the search committee led by Dave Joyner. The committee did a remarkable job...so remarkable in fact, that Onward State gave them an 'A,' which is impressive coming from students!

"Before I introduce Coach Franklin, I wish to offer our deepest appreciation to Larry Johnson, who stepped up to serve as interim coach. His steady leadership, commitment to student-athletes and enthusiasm for the program were vital during the transition. We also wish Bill O'Brien our very best in the next chapter of his career. I for one will be cheering on Houston as long as they're not competing with the Steelers, the Eagles, or the Packers.

"Today, I'm pleased that Coach Franklin has made the time to stop by our meeting and say hello. We're thrilled that he and his family have joined the Penn State family, and we look forward to his contributions to our storied Nittany Lion football program. I realize you have a very tight schedule, James, but would you care to come to the podium to say a few words, Coach?" [Applause]

Coach James Franklin addressed the group. [Applause]

Dr. Erickson's report continued, as follows:

"Thank you Coach Franklin, and again, welcome to Penn State.

"Now I have a few other items to share before we move on to the business of the afternoon.

"First, I'm pleased to report that credit rating agency Standard and Poor's announced that it has revised Penn State's outlook from negative to stable and affirmed its 'AA' long-term bond rating. This move, on the heels of the Moody's rating outlook boost, clearly affirms the ongoing progress that's been made and provides recognition of Penn State's commitment to fiscal responsibility and overall improvement.

"Another sign of stability and strength at Penn State can be found in our latest admissions cycle report. After last year's dip in the overall number of applications, from all indications, this admissions cycle could well produce a new high. To date, applications for undergraduate baccalaureate applications are up 19% over last year at University Park, and up 7% at the Commonwealth Campuses; that adds up to 7,600 more baccalaureate applications received this year, compared to last year.

"Some other notable statistics include: Pennsylvania applications at all campuses are up 8%; out-of-state applications are up 26%; international applications are up 18%; African-American applications are up 14%; Hispanic-Latino applications are up 18%; graduate applications are up 10%. [Applause]

"What's more, we have seen a record number of applications to the Schreyer Honors College. This year, 3,277 students are competing for 300 spots. This is an all-time record for Schreyer applications, and it's a 29% increase over 2013. Also, the Honors College now offers an optional interview with Schreyer alumni. More than 1,500 prospective students have signed up, and about 450 alumni are conducting the interviews. We greatly appreciate the alumni engagement, which enhances the experience for all of our students.

"Penn State's World Campus also continues to attract outstanding students and accolades. Most recently, the World Campus ranked in the Top 10 for its online undergraduate and graduate programs among the hundreds of higher education institutions included in *U.S. News & World Report's* '2014 Best Online Programs rankings.' Notably, Penn State's World Campus rankings include: number three for best online bachelor's programs; number five for best online graduate engineering programs; and number six for best online graduate in computer information technology programs.

"This is the time of the year that brings people together at the Pennsylvania Farm Show. This annual event is part county fair, part educational experience, and part food extravaganza. Penn State's College of Agricultural Sciences always plays a prominent role. This year, more than 200 Penn State students, faculty and staff were on hand to help make many of the show's activities successful.

"I had the privilege of attending a special ceremony during which Governor Corbett proclaimed January 9 'Cooperative Extension Day' in Pennsylvania. The honor recognized 100 years of Penn State Extension, and it was a pleasure to share the honor with our many state and local government officials and private sector partners.

"*The Pennsylvania Farm Show Foundation* honored ten Penn State students, including eight enrolled in the College of Agricultural Sciences, with \$3,500 scholarship awards. The College of Agricultural Sciences will contribute an additional \$2,000 for its student winners. The winners are selected based on leadership qualities and excellent academic performance, and are shown here with U.S. Representative Glenn Thompson and Pennsylvania Secretary of Agriculture George Greig.

"On Wednesday of this week, we celebrated the life and legacy of Dr. Martin Luther King Jr. at the annual *Forum on Black Affairs* banquet. I had the opportunity to share some of Penn State's progress in our diversity initiatives. For example, in December Penn State was honored with the 2013 Higher Education 'Excellence in Diversity Award' by *INSIGHT into Diversity Magazine*. This honor recognizes higher education institutions for exceptional strategies and programs in place to help achieve diversity and inclusion across campus.

"In addition, results from an assessment of Penn State's diversity and inclusion efforts ranked the University among the top 20 higher education institutions in the nation. The assessment, conducted by Halualani & Associates, found that Penn State ranks in the top four in comparison to peer institutions for diverse undergraduate student enrollment, diverse student graduation rates and new minority faculty hire numbers. The report concluded that 'the Office of the Vice Provost for Educational Equity leads one of the top ten diversity strategic planning frameworks in the country, and stands out as one of the few offices nationwide that focuses on diversity achievement outcomes and impact.' Certainly there is more work to be done, but I hope you'll join me in congratulating Terrell Jones, Vice Provost for Educational Equity, for his leadership of the Office for Educational Equity, and his support of diversity initiatives in our community.

"As I do each year, I'd like to recognize the Penn State faculty members who have been recently named Fellows of the American Association for the Advancement of Science; this is the world's largest general scientific society. The new fellows for 2014 include: Ottar Bjørnstad, professor of entomology, biology and statistics; Squire Booker, professor of chemistry and biochemistry and molecular biology; William Brune, Distinguished Professor of Meteorology; Kevin Furlong, professor of geosciences; Bruce Logan, Evan Pugh Professor and Kappe Professor of Environmental Engineering; Alan MacEachren, professor of geography; and James Broach, professor of biochemistry and molecular biology in the College of Medicine.

"Congratulations to these faculty members, as well as the many others who are making discoveries in their respective fields, while inspiring the next generation of scientists, innovators, artists and scholars.

"Penn State is continuing our work to improve the lives of children and families. Later this afternoon, you'll hear from Dr. Susan McHale about some of the research underway through the Network on Child Protection and Well-Being. And next week I will be at Penn State Hershey to participate in a Grand Welcoming Event for the Center for the Protection of Children. Led by Dr. Benjamin Levi, this Center is a collaborative effort whose goals are the research, prevention and treatment of child abuse.

"In other campus news, the Pennsylvania College of Technology is celebrating its centennial anniversary this year. Started as an industrial-arts shop in the Williamsport High School, Penn College has developed a unique approach to education by focusing on hands-on, real-world experience in skilled and technical career fields. Pennsylvania legislatures have played an important role in the success of Penn College, our Commonwealth Campuses and our institution. I look forward to sharing some of the highlights at the House and Senate Appropriation hearings, in which I'll be participating on February 13.

"Since our last Board meeting, we have had some significant accomplishments in athletics, too. Eighty-three Penn State student-athletes earned fall Academic All-Big Ten honors; that's the Nittany Lions' second-highest number of honorees all-time among fall teams. Football All-American and mathematics major John Urschel will need an extra suitcase to take home all of his awards, including the Campbell Trophy, which goes to the nation's top college football scholar-athlete. He is the first Nittany Lion to win this award, and he was honored at the BCS Championship Bowl game. John also picked up the 2013 Senior CLASS Award for his abilities both on and off the football field. [Applause]

"We also had a thrilling conclusion to our women's volleyball season when the team captured its sixth NCAA national championship in program history, rallying past Wisconsin in a decisive victory. This marks the fifth national title in the last seven years for the Nittany Lions. With this title, the team is now tied with Stanford for the most women's volleyball national championships. [Applause] Congratulations go to Coach Russ Rose, his staff and to the student-athletes, who have made us so proud.

"Continuing their record of excellence, the Penn State wrestling team is ranked number one in the nation. In addition, on December 8th, Penn State Wrestling set the NCAA attendance record for the largest crowd at any college wrestling dual meet--15,996 fans at the Bryce Jordan Center--all cheering on the team to victory.

"Last year, the Lady Lions donated a record \$260,000 to breast cancer charities, and this year the Pink Zone game will be played Sunday, February 16th against Wisconsin. There's always a great turnout, and it will be an excellent game.

"Finally, a few words on *For the Future: The Campaign for Penn State Students*. We are closing in on the goal of \$2 billion due in large measure to the support of the Penn State community and the outstanding leadership of Rod Kirsch, Senior Vice President for Development and Alumni Relations, and Peter Tombros, the Campaign Chair. This campaign has brought out the best in our alumni and friends, and we will be able to celebrate its success on the Campaign Closing weekend, which will be April 11th through the 13th.

"Also coming up is THON 2014, which will be held February 21-23. There is nothing quite like the experience of seeing the passion and commitment of our students and the families they support. If you wish to join us for THON, please let Jeanie know and we'll make arrangements.

"That concludes my remarks. Now I'll be happy to take any questions the Board may have."

President Erickson responded to a question about the following informational item:

- Admissions cycle report; caliber of applicants

Public Comment

Chairman Masser shared the addition of a visual prompt, which will now be provided via an electronic clock when each speaker has one minute remaining of his or her allotted three-minute comment period. This will replace the audio prompt which was used in prior meetings.

One speaker was present to share her views and visions for the enhancement of Penn State:

Wendy Silverwood, an alumna of the University, requested to speak on the formation of Penn State's Network on Child Protection and Well Being.

Reports from Standing Committees

Chairman Masser advised that standing Committees met in public session on Thursday, January 16, 2014, to consider any information or action items to come before the board today. 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 Academic Affairs and Student Life

The Committee received the following items for information:

1. Information on Undergraduate Programs
 - a) Communication Minor to Communication Arts and Mass Media Minor at Penn State Erie, The Behrend College: Name Change
 - b) Human Resource Management at Penn State Harrisburg: New Minor
2. Information on Graduate Programs
 - a) Master of Education in College Student Affairs in the College of Education: Drop Program

Vice Chair Khoury reported that the Committee has not convened since the November 2013 Board meeting cycle. He then called on Provost Nick Jones who introduced Dr. Susan McHale, Professor of Human Development and Director of the Social Science Research Institute. Dr. McHale provided an informational report on The Network on Child Protection and Well-Being, which was established through the work of the Presidential Task Force on Child Maltreatment in January 2012. She reported on academic initiatives designed to combat child-abuse, interdisciplinary collaboration, strategies, and goals for the program. Her presentation was followed by a question and answer period.

There were no actionable items presented to the Board.

B. Committee on Audit and Risk

Vice Chair Linda Strumpf reported that the Committee met on Thursday, January 16, and reviewed the Committee's matrix of roles and responsibilities. In an effort to accommodate the time needed to address both Audit and Risk functions of the University, the Committee discussed the possibility of adding an additional meeting to the annual schedule. Additionally, Gary Langsdale, University Risk Officer, provided an update on enterprise risk management process,

and Director of Internal Audit, Dan Heist, reviewed the status of audit issues for individual follow-up reports that have been issued as of December 31, 2013. Finally, University Controller Joseph Doncsecz reviewed the engagement letter and scope of audit, as well as the annual letter to Deloitte, the University's external auditing firm.

There were no actionable items presented to the Board.

C. Committee on Compensation

Chair Strumpf reported that since its last meeting, the Committee reviewed and approved operating guidelines. Vice-President for Human Resources, Susan Basso, facilitated a discussion on the University's peer group composition executive pay strategy; the committee anticipates that it will present a recommendation to the full Board at its March meeting. The committee received an update on an executive compensation study that will be conducted and led by University consultant, Simpson and Associates.

Chair Strumpf noted that on January 11, the committee met by phone to approve the compensation and employment terms for the new head football coach, James Franklin. While at the time of that meeting the operating guidelines had not formally been adopted, the University administration, Chairman Masser, and Committee Chair Strumpf concurred that it would appropriate for the Committee to consider and approve the action of the football coach's contract, as the approach was consistent with past practice.

There were no actionable items presented to the Board.

D. Committee on Finance, Business and Capital Planning

Chair Dambly reported that since the last meeting, the Committee received a presentation on the student class gift, and updates on the Data Center and the Philadelphia Naval Yard project.

David Gray, Senior Vice President for Finance and Business, provided reports on the Michael Baker Building renovation at Penn State Beaver; Mueller Building renovation, Intramural Building expansion phase II, and the Burrowes Building renovation, all located at University Park; and the Shavers' Creek Dam rehabilitation at Stone Valley Recreational Area.

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

1. WHEREAS, That in view of the special nature of this project, 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 Stantec, Inc. of Butler, Pennsylvania, to design the renovation of the Michael Baker Building at Penn State Beaver.

2. RESOLVED, That the final plans for the Mueller Building Renovation at University Park, as designed by the firm of Stantec, Inc. of Butler Pennsylvania, are approved.

FURTHER BE IT RESOLVED, That authorization to award contracts to construct the project be approved at a cost of \$20,700,000.

3. RESOLVED, That the final plans for the Intramural Building Expansion – Phase II at University Park, as designed by the firm of Moody Nolan, Inc. of Columbus, Ohio, are approved.

FURTHER BE IT RESOLVED, That authorization to award contracts to construct the project be approved at a cost of \$31,250,000.

4. RESOLVED, That the final plans for Burrowes Building Renovation at University Park, as designed by the firm of BLT Architects of Philadelphia, Pennsylvania, are approved.

FURTHER BE IT RESOLVED, That the authorization to award contracts to construct the project be approved at a cost of \$37,800,000.

5. WHEREAS, the officers of the University have determined a rehabilitation of the Shaver's Creek Dam is beneficial to the University,

WHEREAS, funds are available for the rehabilitation,

WHEREAS, project costs have increased to an amount requiring Board of Trustee approval,

RESOLVED, That the total expenditures of \$5,500,000, are authorized for the Shaver's Creek Dam Rehabilitation.

Ford Stryker, Associate Vice President of the Physical Plant, provided a photo report on selected construction projects, including the new Health and Human Development Building at University Park; renovations of the South Frear Building at University Park; and the HUB renovation and expansion at University Park.

The Committee received the following items for information:

1. Stadium West Parking Lot Expansion, University Park
2. Roof Fall Protection at Various Buildings, University Park
3. Security and Access Control at Various Buildings, University Park
4. Security and Access Control at Multiple Commonwealth Campuses
5. Conference Center Building Engineering Suite, Penn State Great Valley
6. Naming of Rooms, Portions of Buildings, and Plazas
 - a. Name the Chancellor's office (Rooms 117 and 118) in the Frable Building, Penn State Greater Allegheny, in honor of Chancellor Curtiss E. Porter in recognition of his accomplishments during his 14-year tenure with the campus. The recognition plaque should read: *Curtiss E. Porter Executive Office*
 - b. Name a conference room (Room 365), North Frear Building, in memory of Mildred Stoehr Christian, in recognition of a gift from Alan Hoberman. The recognition plaque should read: *Mildred Christian Biochemistry Conference Room In memory of Dr. Mildred Stoehr Christian, gift given by her husband, Dr. Alan Hoberman*
 - c. Name a lab (Room 105) within the newly renovated Occupational Therapy Lab suite, Chadderton Lab Building, Penn State Shenango, in recognition of a gift from Dallas W. Hartman, Esq. The recognition plaque should read: *Dallas W. Hartman, Esq. Occupational Therapy Lab*

- d. Name the McCoy Natatorium Downstairs Lobby in recognition of a commitment from T. Warren Carmichael. The recognition plaque should read: *Warren, Pat, and Brantley Carmichael Lower Atrium Lobby*
 - e. Name the White Building Gymnastics Work-Out Area in honor of the late Gene Wettstone, former men's gymnastics head coach and member of the Penn State coaching staff for 36 seasons. The recognition plaque should read: *Gene Wettstone Gymnastics Complex*
 - f. Name the Multi-Sports Facility Men's and Women's Track Team Lounge Area in memory of Kevin Dare with gifts received from Edward Dare and the Kevin Dare Foundation. The recognition plaque should read: *Kevin Dare Memorial Team Lounge*
 - g. Revise the text of the recognition plaque for the Print and Drawing Study Room, Palmer Museum of Art, named by Drs. Albert and Lorraine Kligman. The revised recognition plaque should read: *Drs. Albert and Lorraine Kligman Print and Drawing Study Room*
 - h. Revise the text of the recognition plaque for the garden between the Moore and Cedar Buildings named by Doug Rock and Julie Jensen Rock. The revised recognition plaque should read: *Robert Glenn Jensen Garden*
- 7. Purchase of Property at 3450 Seventh Street Road, Penn State New Kensington
 - 8. Status of Major Construction Programs and Borrowing
 - 9. Summary and Designation of Gifts Received by the University

E. Committee on Governance and Long Range Planning

Chair Eckel reported that since the last meeting, the Committee met with Governance Consultant, Holly Gregory; Ms. Gregory also facilitated a Retreat for voting Trustees on January 16. The Committee reviewed and approved changes to the *Bylaws* which clarify the Board's requirements specific to real estate transactions; it is anticipated that these changes will be presented as a resolution for Board approval at the March 2014 meeting.

Following recent discussions between the Board Office and the Alumni Association about current practices for the election of Alumni Trustees, the Committee will likely present a resolution for Board approval in March to update *Standing Orders* to provide for more inclusive election processes.

Chair Eckel deferred his remarks on nominations for at-large seats on the Executive Committee until the election for Board chair concluded.

There were no actionable items presented to the Board.

F. Committee on Legal and Compliance

Chair Lubert indicated that there was no report from the Committee, as it has not convened since the meeting in November 2013.

G. Committee on Outreach, Development and Community Relations

Chair Myers indicated that there was no report from the Committee, as it has not convened since the meeting in November 2013.

Chair Myers requested, and was granted, a point of personal privilege.

Authorization to Confer Degrees

The Board of Trustees voted to authorize the President of the University to confer degrees at the end of the 2014 Spring Semester, Summer Session, and Fall Semester upon those students who have completed at those times the necessary requirements.

Proposed Date for the Election of Trustees

The Board of Trustees voted to approve May 8, 2014 as the date for the delegate election of agricultural trustees, and for counting the ballots in the alumni election; and approve May 8, 2014 as the date for the election of business and industry Trustees.

Proposed 2015 Dates for Meetings of the Board of Trustees

The Board of Trustees voted to approve the proposed meeting dates for 2015 as follows (unless otherwise noted, all meetings will be held at University Park):

January 15-16, 2015	(Thursday-Friday)
March 12-13, 2015	(Thursday-Friday) – Hershey
May 7-8, 2015	(Thursday-Friday)
July 16-17, 2015	(Thursday-Friday) – Penn State Beaver
September 17-18, 2015	(Thursday-Friday)
November 19-20, 2015	(Thursday-Friday)

Selection of Recipients of the 2014 Distinguished Alumni Award

Keith E. Masser, Chairman, presented the recommendations from the Distinguished Alumni Award Screening Committee meeting on January 16, 2014.

Ballots were distributed and, following the voting, were counted. Chairman Masser reported that the following eight individuals had been selected as recipients of the Distinguished Alumni Award for 2014:

Steven H. Brose
Louis J. Grabowsky
Karen Hughes Quintos
Charles I. Kidd
Michael W. Laphen
Stephen L. Mayo
Terrence M. Pegula
Nicholas Pelick

[See Appendix I]

Election of Officers of the Board of Trustees

Chairman Masser called upon Thomas G. Poole, Vice President for Administration and Secretary of the Board to proceed with the election of officers. Dr. Poole reported that the November amendment of the *Bylaws*, which changed the annual meeting date of the Board from January to July, has necessitated an interim period election for the Chairman and a number of Board Officers in order to bridge their terms until July 2014, at which time another election will be held for all officers.

Dr. Poole called for nominations for Chairman of the Board of Trustees. Trustee Ira M. Lubert nominated Keith E. Masser; the nomination was seconded. There being no further nominations, it was voted that the nominations be closed.

Dr. Poole noted that his, and other incumbent, positions were slated for reelection. In addition to the Secretary of the Board, it was necessary to elect the following officers: Associate Secretary; Assistant

Secretaries; Treasurer; and Assistant Treasurers. The following individuals were nominated and seconded: Janine S. Andrews, Associate Secretary; Carmella Mulroy-Degenhart, Donna J. Newburg, and Wendy L. Peck, Assistant Secretaries; David J. Gray, Treasurer; Deborah M. Meder, and Susan J. Wiedemer, Assistant Treasurers. There being no further nominations, it was voted that the nominations be closed.

Dr. Poole reminded the Board that the *Charter* requires the use of written ballots for the election of officers. Ballots were distributed by the Board Office staff. Nicholas P. Jones, Executive Vice President and Provost, and Madlyn L. Hanes, Vice President for Commonwealth Campuses, were appointed as tellers for the election of officers. The following persons were elected for a six-month term, concluding in July 2014:

Keith E. Masser, President
Thomas G. Poole, Secretary (Incumbent)
Janine S. Andrews, Associate Secretary (Incumbent)
Carmella Mulroy-Degenhart, Assistant Secretary (Incumbent)
Donna J. Newburg, Assistant Secretary (Incumbent)
Wendy L. Peck, Assistant Secretary (Incumbent)
David J. Gray, Treasurer (Incumbent)
Deborah M. Meder, Assistant Treasurer (Incumbent)
Susan J. Wiedemer, Assistant Treasurer (Incumbent)

Election of Members of the Executive Committee

Section C.6 of the *Charter* and Section 3.02 of the *Bylaws* specifies that the Executive Committee shall have thirteen members, all of whom shall be voting members and be composed of the Chair of the Board of Trustees (who also serves as chair of the Executive Committee), the Vice Chair, chairs of the standing committees, the chair of the Board of Directors of the Milton S. Hershey Medical Center, the immediate past chair of the Board of Trustees, and such number of at-large members nominated by the Governance and Long-Range Planning Committee and elected by the Board of Trustees as may be necessary to have an Executive Committee of thirteen members.

Committee on Governance and Long-Range Planning Chair Keith W. Eckel reported that the Committee voted to nominate the following Trustees for at-large membership positions on the Executive Committee:

Kathleen L. Casey
Donald G. Cotner
Richard K. Dandrea

Chairman Masser called for additional nominations; seeing none, nominations were closed. Chairman Masser called for a motion to elect the slate of nominees presented for at-large membership positions on the Executive Committee; the motion carried, was seconded, and was unanimously approved by the Board.

Announcements by the Chairman of the Board of Trustees

Chairman Masser provided the following closing remarks:

"Before we conclude the meeting, I'd like to take a few minutes to reflect on some of the progress we have made over the last year, as well as looking to some of our work in the weeks and months ahead.

"I would like to begin by thanking Vice Chair Paul Silvis for his support and many contributions over the last year. He has helped me tremendously, and I know he has been tireless in his efforts to unite this board. Thank you, Paul.

"Also, on behalf of the Board, I wish to recognize President Erickson, his administration, the faculty, staff, students and alumni of this great institution for making last year one of the most successful ever. Penn State is strong, stable and has a bright future ahead. Please join me in thanking Rod and those who have contributed to Penn State's outstanding year. [Applause]

"Now, let's look at some of our work over the last year.

"Last January and in ongoing discussions, we have looked at ways to keep a Penn State education affordable and accessible. Today, I can say we have made progress toward that goal. Through philanthropy, Penn State Trustees generously stepped up their support of Penn State students. As we approach the conclusion of *For the Future: The Campaign for Penn State Students*, I'd like to recognize the Board's contributions. Notably, the Trustees – including past Trustees—have donated nearly \$110 million to the Campaign. Those tens of millions of dollars have gone to student scholarships, faculty endowments, capital plant improvements and many other projects designed to enhance the education of Penn State students across the Commonwealth. In addition, the Board has been sensitive to the rising cost of tuition, and we have worked to keep tuition increases to a minimum. Last year the Board approved the second lowest increase since 1967; this followed the lowest tuition increase the year before. I ask that you join me in continuing our efforts to keep affordability and accessibility as our top priorities in the coming year, especially during the appropriation discussions in the coming weeks.

"Last year at this time we began the search for the next great President of Penn State. Great responsibilities must be met with great commitments, and this process has indeed brought about an unprecedented level of engagement from our university's many constituencies. In allowing plenty of time for the process, we have learned a great deal, and we're looking forward to a successful conclusion to meet the schedule for Rod's well deserved retirement in June.

"Another area we have worked on throughout the year is governmental relations, especially in an effort to build a stronger relationship with our Pennsylvania legislators. I believe that we have made progress in aligning our common goals: creating an educated citizenry, promoting workforce and economic development, and continuing Penn State's land-grant mission. As we move into the budget discussions for the new appropriation, we will renew our efforts to cooperate for the benefit of everyone in this state.

"We also have continued to strive to create a safer environment on our campuses and to fight child sexual abuse. Earlier this afternoon, Dr. Susan McHale described some of those efforts through the Network on Child Protection and Well-Being. We also are proud of the work underway at the Center for the Protection of Children at Penn State Hershey with the leadership of Dr. Benjamin Levi, as well as the many efforts of our students, faculty, staff and alumni to educate the community about this horrific crime. In addition, we have new ethics and compliance officers in place, and our policies have become a model for universities across the nation. However, we still have work to do in both governance and compliance and our goal is to exceed expectations.

"With the guidance of our governance consultant, we will continue to analyze the many recommendations we have received, to benchmark peer institutions, and to implement best practices. One area we will be examining closely is the request to add a permanent student trustee to the Board. I will continue to keep you apprised of developments in this area and others related to governance in upcoming meetings.

"Finally, I'd like to assure you that over the last year I have heard your concerns and suggestions. I was an advocate for the public comment session, and have appreciated the candor and comments as they relate to the business of the Board. There

is no doubt that we still have differences of opinion and different tactics for problem solving. But from those differences, we have made progress collectively. I continue to believe that the best way forward is through unity, cooperation and commitment to Penn State students.

"As we look ahead to 2014, I hope we can continue to come together to strengthen and improve our university. Thank you, and Happy New Year!"

There were no other matters presented to the Board. The meeting adjourned at 3:28 p.m.

Respectfully submitted,

Janine S. Andrews
Associate Secretary
Board of Trustees

DISTINGUISHED ALUMNI AWARD SCREENING COMMITTEE

MEETING MINUTES

JANUARY 16, 2014

A meeting of the Distinguished Alumni Award Screening Committee was held in Room 218 of the Penn Stater conference Center Hotel on January 16, 2013, at 7:30 a.m.

The following trustee committee members were present: Masser, Erickson (ex officio), Alexander, Cotner, Dandrea, Doran, Harpster, Hintz, and Oldsey; and staff members Poole and Zirkle.

Chairman Masser called the meeting to order.

The general guidelines established for use by the Screening Committee in considering nominees to receive the Distinguished Alumni Award were reviewed.

The Screening Committee reviewed the list of nominees for the 2014 Distinguished Alumni Award.

After reviewing the committee members' selections, the committee voted to recommend that the following individuals from the list of 53 nominees be considered by the Board of Trustees for the 2014 Distinguished Alumni Award:

Steven H. Brose
Louis J. Grabowsky
Karen L. Hughes-Quintos
Charles I. "Chip" Kidd

Michael W. Laphen
Stephen L. Mayo
Terrence M. Pegula
Nicholas Pelick

There being no further business, the meeting adjourned at 8:45 a.m.

Respectfully submitted,

Keith E. Masser
Chairman