

MINUTES OF MEETING

BOARD OF TRUSTEES

VOLUME 257

July 15, 2011

A meeting of the Board of Trustees was held in Room 135 of the Penn State Lehigh Valley Campus, Center Valley, Pennsylvania, at 9:15 a.m. on July 15, 2011.

The following Trustees were present: Garban (chairman), Surma (vice chairman), Alexander, Allan, Arnelle, Broadhurst, Clemens, Dambly, Deviney, DiBerardinis, Eckel, Hayes, Hetherington, Hintz, Huber, Hughes, Jones, Lubert, Masser, Myers, Peetz, Riley, Shaffer, Spanier, Strumpf, Suhey, and Tomalis; Trustees Emeriti Coppersmith, Junker, Robinson, and Rowell.

Present by invitation were faculty representatives Backer and Hagen; student representatives Bard, Khoury, and Lozano; Penn State Lehigh Valley representatives Christian, Hart, Williams, and Zogheib; staff members Ammerman, Baldwin, DiEugenio, Hanes, Horvath, Mahon, Mulroy-Degenhart, Paz, Poole, Sims, and Weidemann; and presenters Simpson and Tombros.

Chairman Garban called on Chancellor Ann M. Williams who welcomed the Board to Penn State Lehigh Valley. Chairman Garban offered congratulations to Trustee Stephanie Deviney on becoming partner at the firm of Fox Rothschild. He welcomed the University Faculty Senate Officers Daniel Hagen and Larry Backer; student representatives TJ Bard, Peter Khoury, and Jonathan Lozano; and Penn State Lehigh Valley representatives John Hart, chair of the Penn State Lehigh Valley Advisory Board, Margaret Christian, chair of the Penn State Lehigh Valley Faculty Senate, and Abdo Zogheib, president of the Penn State Lehigh Valley Student Government Association.

It was voted to approve the minutes of the meeting of the Board held on May 13, 2011.

President's Report

Dr. Spanier's report is included in its entirety:

"Good morning. I want to begin by thanking Chancellor Ann Williams and her staff for hosting us this week. It's always a pleasure to visit Penn State Lehigh Valley, and this is a very significant moment in the history of this campus.

"In addition to the dedication of this new campus last year, Penn State Lehigh Valley will be kicking off their centennial celebration next year. I'm delighted that the Board has an opportunity to be here to experience the beauty of this campus first hand. I know Ann has some campus highlights to share, so I'll keep my report brief to give her ample time for her presentation.

"Later this morning I will provide a detailed report on the budget, but right now I want to say a few words on the subject. First, I want to thank everyone for their patience, guidance and support throughout the process. I know that many of our Trustees advocated for us in Harrisburg and with our legislators throughout the state, and I personally appreciated the emails, calls and comments I received. Everything considered, I hope most of you feel some relief that the legislature moderated the cut to our appropriation to 19.6 percent from the originally proposed 52.4 percent. We are appreciative of the efforts of the legislators for their work on behalf of Penn State. Without their support, Penn State and higher education would be facing a much greater challenge this year.

"That said, this cut still represents a reduction of \$68 million, and that is not without consequence. We are doing everything possible to find ways to trim costs further and to demonstrate the value Penn State contributes to the Commonwealth of Pennsylvania.

"The good news is that among prospective students and families, Penn State is the institution of choice, and this is another record setting year for admissions applications. Total applications for all campuses are approaching 120,000; ahead of last year by six percent. We have received more undergraduate applications than in any prior year; the total is up 8.4 percent, with increases in first-choice freshman baccalaureate applications at University Park

and the Commonwealth Campuses. Out-of-state minority applications are ahead by 12.4 percent and Pennsylvania minority applications are ahead 6 percent. International undergraduate applications have again seen the largest percentage increase ever. They are up a remarkable 54 percent.

"Graduate applications are also ahead of last year by 8 percent, again with international applications showing a double digit increase. Applications to the Dickinson School of Law and the Penn State College of Medicine are down slightly this year.

"The predictions for the final enrollments of new first-year baccalaureate students for summer and fall indicate that we should come very close to the target of 7,600 for University Park, and the incoming class will be comparable to last year for the Commonwealth Campuses.

"Penn State faculty are known for their commitment to balancing teaching, research and service, and this is very evident in the productivity of the faculty in the Smeal College of Business. Despite the fact that Smeal serves one of the largest business student populations in the nation, the faculty rank among the best in the world when it comes to publishing in top business journals.

"According to a recent study, Smeal ranked 15th among all business schools in the world, and fourth among publicly supported schools, for scholarly research output. When the rankings are adjusted to take into account size of faculty, Smeal comes in at No. 5 globally and second among public institutions.

"The Penn State College of Medicine also received some well-deserved attention when it was named a 2011 Program of Excellence by the American Academy of Family Physicians. This award celebrates outstanding activities in generating interest in family medicine.

"The American Academy of Family Physicians notes the critical role the winners play in helping students put their education to work in the community and health care system, while preparing the students for leadership roles.

"In addition, the Hershey Medical Center, in collaboration with Penn State faculty at University Park, received \$27.3 million from the National Institutes of Health for translational research. The focus will be on shortening the time period to convert scientific research into medical treatments, as well as the development of new drugs and devices. It's estimated that this grant will generate nearly \$200 million in economic impact in Pennsylvania, and the implications for lifesaving advancements are incalculable.

"Doctors at the Hershey Medical Center are also communicating directly with the public on health matters of importance. For example, Dr. Stuart Kaplan, a professor of child psychiatry, wrote a provocative article for *Newsweek* titled 'Mommy, Am I Really Bipolar?' The article warns about the dangers of misdiagnosis and treatment of bipolar disorder in children. In addition to bringing this issue to light in the mainstream press, Dr. Kaplan has been working with the American Psychiatric Association to build awareness within the medical community.

"Dr. Leann Birch, director of Penn State's Center for Childhood Obesity Research, was also in the news for her work developing new dietary recommendations for children in collaboration with the Institute of Medicine. Dr. Birch's findings appeared in the *Wall Street Journal*, *Associated Press*, *Washington Post*, *USA Today*, *Health Day*, the *PBS Newshour Blog* and many other prominent media outlets.

"Although athletics is typically quiet over the summer, we had some excitement at University Park when ESPN taped the show 'Difference Makers' with Coaches Joe Paterno and Mike Krzyzewski from Duke. The show focused on their behind the scenes abilities to inspire student athletes to strive for greatness in academics and athletics. I hope you had a chance to see the show, which aired in early July. I also want to play a short clip I think you'll enjoy. [video played]

"If anyone would like a DVD of the show, please let Paula know after the meeting.

"You're probably used to seeing Penn State athletic director Tim Curley standing next to Penn State athletes as they receive their awards, but last month Tim was in the spotlight. The National Football Foundation & College Hall of Fame named him the recipient of the 2011 John L. Toner Award. This prestigious award recognizes outstanding dedication to college athletics, leadership and integrity. In his role as athletic director for the last 17 years, Tim has presided over 21 NCAA and 64 Big Ten championships and numerous individual national and conference crowns, while overseeing record graduation rates. He has also managed to attract and retain some of the top coaching talent in the nation and an excellent staff as well.

"This summer Tim was especially busy with coaching hires. ACHA Hall of Fame inductee Josh Brandwene joined Penn State as the first varsity women's ice hockey coach; our men's ice hockey coach, Guy Gadowsky, has been onboard since April.

"Patrick Chambers, who last season led Boston University to its first NCAA Tournament appearance since 2002, was named the 12th head coach in Nittany Lion Basketball history. We've also brought on new assistant coaches in men's soccer, men's basketball and women's ice hockey.

"In addition, Charmelle Green joined us as associate athletic director and senior woman administrator. Charmelle comes from the University of Notre Dame, where she worked to give student athletes a balanced experience in academics, athletics, service, career preparation and personal development. She is a wonderful fit for Penn State's program. In upcoming months we'll invite the new coaches to our meetings so you can meet them in person.

"With that I conclude my report. I'll be happy to take your questions."

President Spanier received comments concerning:

- Increase in the number of out-of-state applications received.
- Penn State's long-standing relationship with universities in China dating from the early part of the 20th century (1908).

Informational Report on Penn State Lehigh Valley

Dr. Ann M. Williams, Chancellor, presented a report highlighting the activities and achievements of Penn State Lehigh Valley as well as her vision for future direction of the campus. [A visual presentation was made.]

At Penn State University, People Come First

Ms. Susan McGarry Basso, Associate Vice President for Human Resources gave a report on the myriad ways that Penn State provides support for its employees, our most valuable resource. [A visual presentation was made.]

Operating Budget for the University for the Fiscal Year Beginning July 1, 2011

Dr. Graham B. Spanier, President of the University, provided a report on the 2011-2012 Operating Budget. [A visual presentation was made.]

Reports from Standing Committees

A. Committee on Campus Environment

Chair DiBerardinis reported that a quorum of the Committee on Campus Environment was present with the following members in attendance: DiBerardinis (chair), Huber (vice chair), Garban and Spanier (ex officio), Arnelle, Hetherington, Hintz, Hughes, Suhey, and Surma. There were no recommendations for action to present to the Board of Trustees.

Chair DiBerardinis reported that since the occasion of the last meeting, the Committee had an opportunity to receive information on the history and effectiveness of the Administrative Fellows Program. The program began in 1986 and was developed jointly by Penn State's Commission for Women and the President's Office. To date, 64 fellows have participated in the program. The program provides invaluable opportunities to gain a better understanding of the University and the decision making process at all levels of the University. The committee also had an opportunity to hear from the current fellows who are completing their terms and learn of their individual experiences over the past academic year. [A visual presentation was made.]

B. Committee on Educational Policy

In the absence of Chair Joyner, Chair Garban reported that a quorum of the Committee on Educational Policy was present with the following members in attendance: Garban and Spanier (ex officio), Alexander, Hayes, Jones, Myers, Riley, and Shaffer. There were no recommendations for action to present to the Board of Trustees.

It was reported that since the last meeting, the Committee had an opportunity to receive information on Penn State Lehigh Valley's blended initiative in Preparing 21st Century teachers for Diverse Classrooms. Preparing teachers to work with English Language Learners, or ELLs, is of critical importance given their increased presence in rural, suburban and urban classrooms. Information was also shared about the Penn State Lehigh Valley Writing Program, the Penn State Early Childhood Program, as well as the Modular Design for English Language Learners, or MODELL, Instruction Program. [A visual presentation was made.]

The Committee received the following items for information:

1. Information on Undergraduate Programs
 - a) Minor in Law and Liberal Arts at Penn State Brandywine: Drop of Minor
 - b) Media Law and Policy Option in Bachelor of Arts in Media Studies in the College of Communications: Drop of Option and Change in Name
 - c) Associate in Engineering Technology in Surveying Technology in the College of Engineering: Change in Name
 - d) Homeland Security Minor at Penn State Harrisburg: New Program
2. Information on Graduate Programs
 - a) Master of Agriculture Degree from the Graduate Program in Horticulture, College of Agricultural Sciences: Drop of Program
 - b) Applied Mathematics Option and the Logic Option from the Ph.D. Degree Program in Mathematics, Eberly College of Science: Drop of Options
 - c) Biomolecular Transport Dynamics Option in the Graduate Program in Chemical Engineering, College of Engineering: Drop of Option
 - d) Dual-Title Graduate Degree Program in Bioethics, College of the Liberal Arts and Adoption of the Dual-Title Degree Program by the Graduate Program in Anthropology (College of the Liberal Arts), the Graduate Program in Biobehavioral Health (College of Health and Human Development), and the Graduate Program in Communication Arts and Sciences (College of the Liberal Arts): New Program
 - e) Master of Business Administration/MD Joint-Degree Program, The Mary Jean and Frank P. Smeal College of Business and the College of Medicine: New Program
 - f) Nurse Practitioner Option in the Master of Science in Nursing, School of Nursing: Change to Family Nurse Practitioner Option and the Adult Gerontology Option; and Change to Base Program of the Master of Science in Nursing

C. Committee on Finance and Physical Plant

Chair Strumpf reported that a quorum of the Committee on Finance and Physical Plant was present with the following members in attendance: Strumpf (chair), Masser (vice chair), Garban and Spanier (ex officio), Broadhurst, Clemens, Dambly, Deviney, Eckel, Lubert, and Peetz.

Chair Strumpf reported that since the last meeting, the Committee members were provided with a

comprehensive overview of the policies and procedures that govern the committee and the administrative activities that serve as its focus.

The Committee on Finance and Physical Plant recommended that the Board of Trustees approve the following resolutions:

1. WHEREAS, It is the desire of The Pennsylvania State University to be granted a renewal Hotel Liquor License, and

WHEREAS, It is the desire of The Pennsylvania State University to be granted a renewal of Sunday Sales Permit for the sale of alcoholic beverages at The Nittany Lion Inn, and

WHEREAS, It is the desire of The Pennsylvania State University to be granted a renewal of Amusement Permit,

THEREFORE BE IT RESOLVED, That applications of License and Permits to expire January 31, 2013, be filed with The Pennsylvania Liquor Control Board and that Joseph J. Doncsecz, Corporate Controller, and Albert G. Horvath, Senior Vice President for Finance and Business/Treasurer, be authorized and any and all are authorized to execute the necessary applications and bond, and any other papers required by the Pennsylvania Liquor Control Board.

2. RESOLVED, That the conditions governing certain existing scholarships, fellowships, awards, and similar funds previously established at the University be revoked and that the Officers of the University are authorized to put into effect the revised regulations as requested by the donors.

3. RESOLVED, That the Board of Trustees gratefully acknowledges the generous contributions of the many friends of the University in support of endowments, funds, and other major commitments as reported to the Committee on Finance and Physical Plant at its meeting of July 15, 2011.

FURTHER BE IT RESOLVED, That the Officers of the University are authorized to convey the Board's appreciation to these generous benefactors who provide opportunities for many students to receive a quality education.

4. RESOLVED, That the new classroom building at Penn State Berks is named the "Gauge Technology and Business Innovation Building."

5. RESOLVED, That the proposed Operating Budget for the University for the fiscal year beginning July 1, 2011, as shown in Attachment I and Schedules I - V which are attached hereto and made a part hereof, is approved. (See Attachment I)

6. RESOLVED, That tuition and fees at all locations are, effective 2011-2012 school year, as shown on the statements attached hereto and which are a part of this resolution. (See Attachment II)

7. RESOLVED, That in view of the special nature of this project, the interview process has been conducted by the University's Office of Physical Plant.

BE IT FURTHER RESOLVED, That the Officers of the University are authorized to employ the firm of Populous of Kansas City, Missouri as architects for the Beaver Stadium Scoreboard Upgrades at University Park.

The Board voted to approve the action items as recommended by the Committee on Finance and Physical Plant.

The Committee received the following items for information:

1. Breazeale Reactor Renovations, University Park

2. Davey/Carnegie/Rider Masonry Restoration, University Park
3. Lacrosse Artificial Turf Field, University Park
4. Bryce Jordan Center Scoreboard Video Package, University Park
5. Capital Union Building Fitness Center Addition, Penn State Harrisburg
6. Naming of Rooms, Portions of Buildings and Plazas
 - a) The main entrance/lobby, Pegula Ice Arena, the "Silvis Family Lobby" for a commitment from Paul and Nancy Silvis.
 - b) The men's ice hockey head coach's office, Pegula Ice Arena, the "Joseph M. Battista Head Coach's Office" for a gift from John and Karen Davis.
 - c) The assistant football trainer's office, 109K Lasch Football Building, the "Cindy K. Iacocca Assistant Football Trainer's Office" for a commitment from Cindy K. Iacocca.
 - d) The football administrator's office, room 202B Lasch Football Building, the "Gibson-Thomas Engineering Co., Inc., Football Administrator's Office" for a commitment from Gibson-Thomas Engineering Co., Inc.
 - e) The Power Lab Room, Room W5 in the Olmsted Building, Penn State Harrisburg, the "PPL Electric Utilities Power Laboratory for a gift from PPL Electric Utilities.
 - f) A music classroom, Room 111, Penn State Lehigh Valley, for a gift in honor of the parents of Mark Markowitz and family. The recognition plaque should read: *Jerome and Martha Markowitz Music Room in recognition of their contributions to the world of music*
 - g) A classroom, Room 309, Penn State Lehigh Valley, for a gift from the Cohen Family. The recognition plaque will read: *This classroom named in recognition of generous support from The Cohen Family, Martye, Beth, Jason, Julie, Sarah, Katie and Jessie*
 - h) A conference room, Room 130, Penn State Lehigh Valley, for a commitment from Ann M. Williams. The recognition plaque should read: *In honor of Dr. Thomas P. and Elizabeth Williams by the Williams Family*
 - i) A conference room, Room 131, Penn State Lehigh Valley, for a commitment from Ann M. Williams. The recognition plaque should read: *From Ann M. Williams and Family*
7. Purchase of Property Located at 118 North Butz Street, State College
8. Status of Major Construction Programs and Borrowing
9. A photo report on the progress of selected construction projects was presented including: the Millennium Science Complex Building at University Park, BioBehavioral Health Building at University Park, and the Gage Technology and Business Innovation Building at Penn State Berks.

Legal Matters

Vice President and General Counsel Cynthia Baldwin provided information regarding the lawsuit instituted by Austin Scott. The University's motion for summary judgement was granted by the District Court. It is noted however, that Mr. Scott can appeal the decision and there is also a State Court claim remaining, if he chooses to pursue it. The University will not comment further on this lawsuit until its completion.

Election of Members to the Board of Directors: Agricultural Law Resource and Reference Center, The Dickinson School of Law of The Pennsylvania State University

The Board of Trustees voted to adopt the following resolution:

RESOLVED, That the Board of Trustees elects Trustee Samuel E. Hayes, Jr. and Trustee Betsy E. Huber to serve on the Board of Directors of the Agricultural Law Resource and Reference Center of The Dickinson School of Law of The Pennsylvania State University.

Informational Report on *For the Future: The Campaign for Penn State Students*

Mr. Peter G. Tombros, Chair of *For the Future: The Campaign for Penn State Students*, presented an informational report on the Campaign and University Development. [A visual presentation was made.]

Informational Report on the Penn State Alumni Association Activities

A report on the activities of the Penn State Alumni Association was presented by Mr. Barry M. Simpson, President of the Penn State Alumni Association for 2010-2011. [A visual presentation was made.]

Announcements by the Chairman of the Board of Trustees

Chairman Garban in his remarks:

- Thanked Ann Williams and her staff for hosting the meetings at Penn State Lehigh Valley.

The meeting adjourned at 2:37 p.m.

Respectfully submitted,

Paula R. Ammerman
Associate Secretary
Board of Trustees