

10:15 a.m. -

1. **Roll Call**
  
2. **Approval of the Minutes of Previous Meetings**

Will the Board of Trustees approve the minutes of the meeting of the Board held on March 19, 2010?

3. **Informational Report by the President of the University**

11:15 a.m. -

4. **Update on the Implementation of the "Priorities for Excellence: The Penn State Strategic Plan 2009-10 through 2013-14"**

In May 2009, the Board of Trustees approved a five year strategic plan as set forth in the "Priorities for Excellence: The Penn State Strategic Plan, 2009-10 through 2013-14." The plan builds on the theme of prioritization for excellence, offering strategies for each of seven goals. Achieving these goals requires collaboration among administrators, faculty, staff, and students from academic and administrative units across Penn State and making difficult choices regarding future programming. The Goals are as follows:

- Enhance student success;
- Advance academic excellence and research prominence;
- Realize Penn State's potential as a global university;
- Maintain access and affordability and enhance diversity;
- Serve the people of the Commonwealth and beyond;
- Use technology to expand access and opportunities; and
- Control costs and generate additional efficiencies.

Dr. Rodney A. Erickson, Executive Vice President and Provost of the University, will provide an update on the first-year implementation progress of the "Priorities for Excellence."

5. **Informational Report on the University Faculty Senate**

Dr. Lee D. Coraor, Immediate Past Chair of the University Faculty Senate and Associate Professor of Computer Science and Engineering, will provide a report on this year's activities of the University Faculty Senate.

1:30 p.m. -

6. **Reports from Standing Committees**

Discussion of action and/or information items by the Standing Committees for consideration by the Board of Trustees:

- A. **Committee on Campus Environment** - Marianne E. Alexander, Chair

6. **Reports from Standing Committees** (Continued)

B. **Committee on Educational Policy** - Samuel E. Hayes, Jr., Chair

1) **Discussion of Consent Agenda Items Provided for Information or Approval of the Committee on Educational Policy:**

Information Items -

- a) Information on Undergraduate Programs

(See Appendix I)

2) **Recommendation for Approval of Naming the Department of Energy and Mineral Engineering in the College of Earth and Mineral Sciences**

Policy AD-05, "Naming University Facilities" provides for the University to name certain of its facilities (buildings, parts of buildings, roads, and plazas) and academic units (campuses, colleges, schools, departments, centers and institutes), in honor of benefactors (individuals, corporations, and private foundations), and persons or other parties who have made substantial contributions to the University or to education in general.

The University has entered into a gift agreement with John A. and Willie Leone that provides for the naming of the Department of Energy and Mineral Engineering in their honor. President Spanier recommends that the department be named the "John A. and Willie Leone Family Department of Energy and Mineral Engineering in the College of Earth and Mineral Sciences" in accordance with the gift agreement between John A. and Willie Leone and The Pennsylvania State University.

Will the Committee on Educational Policy recommend to the Board of Trustees adoption of the following resolution:

RESOLVED, That the Board of Trustees hereby approves the naming of the "John A. and Willie Leone Family Department of Energy and Mineral Engineering in the College of Earth and Mineral Sciences" in accordance with the gift agreement between John A. and Willie Leone and The Pennsylvania State University.

C. **Committee on Finance and Physical Plant** - Linda B. Strumpf, Chair

1) **Discussion of Consent Agenda Items Provided for Information or Approval of the Committee on Finance and Physical Plant:**

Information Items -

- a) Naming of Rooms, Portions of Buildings and Plazas  
b) Status of Major Construction Programs and Borrowing

Action Items -

- c) Summary of Revisions to Existing Scholarships, Fellowships, Etc.  
d) Acknowledgments of Endowments and Other Major Commitments

(See Appendix II)

**6. Reports from Standing Committees** (Continued)**C. Committee on Finance and Physical Plant** (Continued)**2) Proposed Renaming of the Atmosphere Storage Building "Insectary," University Park**

The Facilities Naming Committee has recommended that the Board of Trustees rename the Atmosphere Storage Building at University Park the "Insectary," to more accurately reflect the current usage of the building. The building was previously used to store apples and now will be used to conduct mosquito research.

Will the Committee on Finance and Physical Plant recommend to the Board of Trustees adoption of the following resolution:

RESOLVED, That the Atmosphere Storage Building at University Park is renamed the "Insectary."

(See Appendix III)

**3) Proposed Naming of the Softball Stadium "Nittany Lion Softball Park," University Park**

The Facilities Naming Committee has recommended that the Board of Trustees name the new softball stadium at University Park the "Nittany Lion Softball Park."

Will the Committee on Finance and Physical Plant recommend to the Board of Trustees adoption of the following resolution:

RESOLVED, That the new softball stadium at University Park is named the "Nittany Lion Softball Park."

(See Appendix IV)

**4) Consideration of Proposed Interim Maintenance and Operating Budget for the University for the Fiscal Year Beginning July 1, 2010**

In order for the University to have an approved fiscal operating plan for the year beginning July 1, 2010, it is proposed that an interim budget be adopted.

Due to the pending status of the State appropriation, it is recommended that no action be taken at this time on changes in tuition, salaries and wages, employee benefits, or other necessary expense increases. A final budget will be submitted at the July 8-9, 2010 Board of Trustees meeting when the State appropriation is clarified.

6. Reports from Standing Committees (Continued)C. **Committee on Finance and Physical Plant** (Continued)4) **Consideration of Proposed Interim Maintenance and Operating Budget for the University for the Fiscal Year Beginning July 1, 2010** (Continued)

Will the Committee on Finance and Physical Plant recommend to the Board of Trustees adoption of the following resolution:

RESOLVED, That pending adoption of a new budget to reflect clarification of the amount and form of the State appropriation, and subsequent decision regarding the amount of tuition charges, adjustments to salaries, wages, and employee benefits, and provisions for fuel and utilities and other cost increases, the Board of Trustees approves continuation for the interim period beginning July 1, 2010, total budget amounts at the level of the adjusted 2009-10 budget as follows:

	<b>University Park and Other <u>Locations</u></b>	<b>College of <u>Medicine</u></b>	<b>Pennsylvania College of <u>Technology</u></b>	<b>Total <u>University</u></b>
General Funds	\$1,615,391,000	\$94,112,000	\$91,793,000	\$1,801,296,000
Agricultural Federal Funds	19,995,000			19,995,000
Restricted Funds	538,292,000	80,000,000	22,990,000	641,282,000
Auxiliary Enterprises <sup>a</sup>	316,778,000	4,144,000	23,778,000	344,700,000
<b>Total</b>	<b>\$2,490,456,000</b>	<b>\$178,256,000</b>	<b>\$138,561,000</b>	<b>\$2,807,273,000</b>
Milton S. Hershey Medical Center				992,223,000
<b>Total Funds</b>				<b>\$3,799,496,000</b>

<sup>a</sup>Includes increase in room and board charges as approved by the Board of Trustees, November 6, 2009.

**6. Reports from Standing Committees** (Continued)**C. Committee on Finance and Physical Plant** (Continued)**5) Conflict of Interest - Approval of Contract with Occupational Athletics, Inc., LLC**

The Bylaws of the University, Article 6(1), provide that, "No member of the Board of Trustees, any member's spouse or any corporation, partnership, association or other organization in which one or more members of the Board of Trustees, or any member's spouse or minor child has a beneficial ownership of ten (10%) percent or more, shall enter into any contract or transaction valued at \$10,000 or more with the University unless the contract has been awarded through an open and public bidding process or has been fully disclosed to the Board of Trustees and approved by the affirmative votes of a majority of the disinterested members of the Board of Trustees."

Occupational Athletics, Inc., (OAI) ~~is a limited liability corporation that~~ specializes in the field of occupational athletics that utilizes the athletic model of preventative care for American workers. By designing and implementing aggressive, customized human maintenance systems, this will help to alleviate the current healthcare crisis demonstrating how to keep workers healthy. Trustee David M. Joyner owns an interest of 10% or more in **Occupational Athletics Group, LLC, which does business with OAI.**

It is proposed that the University, through the Office of the Senior Vice President for Finance & Business, enter into an agreement with OAI to develop a pilot program focused on the development of a wellness strategies manual designed to provide instruction for the prevention and elimination of certain types of injuries commonly experienced by employees performing manually-intensive tasks. OAI has partnered with Highmark in the past and has worked in settings similar to those experienced at Penn State. The pilot program will be developed at a cost-not-to-exceed \$30,000 and transaction approval by the Board of Trustees is required.

Will the Committee on Finance and Physical Plant recommend to the Board of Trustees adoption of the following resolution:

RESOLVED, That the transaction whereby the University, through the Office of the Senior Vice President for Finance & Business, contract with Occupational Athletics, Inc., for a pilot program focused on the development of a wellness strategies manual at a cost-not-to-exceed \$30,000 is approved.

**(Editorially amended at the meeting.)**

**6) Proposed Final Plans and Authorization to Award Contracts, Moore Building Addition, University Park**

The University is planning to construct an addition to the Moore Building at University Park to accommodate more space for research labs for the Department of Psychology in the College of Liberal Arts. The Child Study Center will relocate to this addition to unite the Department in one facility.

**6. Reports from Standing Committees** (Continued)**C. Committee on Finance and Physical Plant** (Continued)**6) Proposed Final Plans and Authorization to Award Contracts, Moore Building Addition, University Park** (Continued)

Will the Committee on Finance and Physical Plant recommend to the Board of Trustees adoption of the following resolution **as amended**:

RESOLVED, That the final plans for the new Moore Building Addition as designed by the firm of Kling Stubbins of Philadelphia, Pennsylvania, are approved.

BE IT FURTHER RESOLVED, That authorization to obtain bids and award contracts to construct the project be approved at a cost of ~~\$29,100,000~~ \$26,100,000 from funds available to the University.

(Editorially amended at the meeting.)

**7) Proposed Purchase of Gospel Hill Golf Course, Penn State Erie, The Behrend College**

The University has the opportunity to acquire property from The Gospel Hill Golf & Country Club, Inc. and Rebecca Kathman/Linda Milton, which together comprise the property located at 4415 Steimer Road, Harborcreek Township, Erie County. The acquisition provides the University with strategic future expansion opportunities, including the consideration of athletic facilities, and eliminates the possibility of adverse ownership.

The approximate 118 acre existing public golf course, which includes several buildings now used in the operation of the golf course, is in close proximity to the campus. The property has been offered to the University for \$1,185,000, including the University leasing the property back to The Gospel Hill Golf & Country Club, Inc. for its continued use as a public golf course on an annual basis for an interim period. The acquisition shall be contingent upon the property being determined to be in acceptable condition by campus representatives and the Office of Physical Plant.

Will the Committee on Finance and Physical Plant recommend to the Board of Trustees adoption of the following resolutions:

RESOLVED, That the Board of Trustees approves the acquisition of the property containing approximately 118 acres located at 4415 Steimer Road, Harborcreek Township, Erie County, from The Gospel Hill Golf & Country Club, Inc. and Rebecca Kathman/Linda Milton for \$1,185,000.

BE IT FURTHER RESOLVED, That the Officers of the University are authorized and directed to take such steps as are necessary to make effective this resolution.

**6. Reports from Standing Committees** (Continued)**C. Committee on Finance and Physical Plant** (Continued)**8) Proposed Purchase of Kissell Property, University Park**

The University has the opportunity to acquire property adjoining the University Park campus from Craig W. and Kathleen L. Kissell located at 1445 West College Avenue, Ferguson Township, Centre County. The acquisition provides the University with strategic future expansion opportunities and eliminates the possibility of adverse ownership.

The approximate 1.275 acre property, which includes a 23,794 square foot 2-story commercial facility and parking improvements, has been offered to the University for \$2,600,000. The acquisition shall be contingent upon the property being determined to be in acceptable condition by campus representatives and the Office of Physical Plant.

Will the Committee on Finance and Physical Plant recommend to the Board of Trustees adoption of the following resolutions:

RESOLVED, That the Board of Trustees approves the acquisition of the property containing approximately 1.275 acres located at 1445 West College Avenue, Ferguson Township, Centre County, Pennsylvania, from Craig W. and Kathleen L. Kissell for \$2,600,000.

BE IT FURTHER RESOLVED, That the Officers of the University are authorized and directed to take such steps as are necessary to make effective this resolution.

**9) Proposed Revisions to Standing Orders**

In November 2006, the threshold of construction projects requiring approval by the Board of Trustees was increased from \$1 million to \$2 million. The threshold for items to be submitted for the information of the Board of Trustees was increased from a range of \$500,000-\$999,999 to \$1,000,000 to \$1,999,999.

Inflationary increases in the construction industry have decreased the purchasing power of capital funds to the point where, if the \$2 million threshold was maintained, relatively minor structures (for example, small maintenance, utility and agricultural buildings now are over \$2 million each) would be required to follow architect/engineer selection and design approval.

Due to these inflationary pressures and in keeping with the type of projects requiring review by the Board of Trustees, it is proposed that the threshold of construction projects requiring approval by the Board of Trustees be increased from \$2 million to \$5 million; and the threshold for items to be submitted for the information of the trustees be increased from the range of \$1,000,000-\$1,999,999 to a range of \$1,000,000 and \$4,999,999. (Projects estimated at below the \$5 million threshold, but that will be bond-financed, still will require Board of Trustees approval.)

6. **Reports from Standing Committees** (Continued)

C. **Committee on Finance and Physical Plant** (Continued)

**8 9) Proposed Revisions to *Standing Orders*** (Continued)

Other proposed changes are that real estate purposes over \$1 million must be approved by the Board. Those real estate transactions of less than \$1 million will be reported for informational purposes. The requirement for the Board approval of campus master plans will be eliminated; and any major changes in master planning (i.e., transportation plans, etc.) will be brought to the Board for review and approval. The Board will receive the Commonwealth Capital Budget Request for information on an annual basis; approval is not required.

Will the Committee on Finance and Physical Plant recommend to the Board of Trustees adoption of the following resolution **as amended**:

RESOLVED, That the *Standing Orders* of the Board of Trustees of The Pennsylvania State University, as reflected in the Appendix attached hereto and made a part hereof, are approved effective July 1, 2010.

(See Appendix V)

(Editorially amended at the meeting.)

**10) Review of Physical Plant at Penn State DuBois**

A brief review of the existing Physical Plant at Penn State DuBois, site of the July meeting of the Board of Trustees, will be presented.

**11) Photo Report on Selected Construction Projects**

A photo report on the progress of selected construction projects will be presented at the meeting.

7. **Pending Legal Matters**

Cynthia A. Baldwin, Vice President and General Counsel, will present an informational report on pending University legal matters and/or policies normally considered by a Standing Committee of the Board.

8. **Proposed Appointment of Members, Board of Directors of The Milton S. Hershey Medical Center**

In May 2000, the Board of Trustees approved the establishment of the corporation "The Milton S. Hershey Medical Center," a Pennsylvania nonprofit corporation for the purpose of employing personnel, owning equipment, and holding the hospital and other licenses necessary to provide healthcare services. The Board further confirmed that the University will continue to fulfill its obligations as Successor Trustee of The Milton S. Hershey Medical Center through establishment of the corporation to operate the clinical enterprise and make the necessary appointments to the Board of Directors.

The Board of Directors of The Milton S. Hershey Medical Center consists of 15 members. Nine directors are appointed directly by the Board of Trustees with three-year, staggered terms; two are *ex officio* directors: the Senior Vice President for Health Affairs of The Pennsylvania State



8. **Proposed Appointment of Members, Board of Directors of The Milton S. Hershey Medical Center** (Continued)

University, Dean of the College of Medicine, and Chief Executive Officer; and one director is elected from among the clinical department chairs at The Milton S. Hershey Medical Center. The remaining four directors are considered independent directors, with three-year, staggered terms, and are self-perpetuating. Together, these 15 directors are responsible for governance of The Milton S. Hershey Medical Center, subject, of course, to the authority of the Board of Trustees to appoint and remove its appointees.

The members of the Board of Directors appointed by the Board of Trustees of The Pennsylvania State University whose terms expire this year are: Steve A. Garban, L. J. Rowell, Jr., and Gary C. Schultz.

Will the Board of Trustees adopt the following resolution:

RESOLVED, that the following individuals are appointed as members of the Board of Directors of The Milton S. Hershey Medical Center for a three-year term ending June 30, 2013:

James ~~A. S.~~ Broadhurst  
L. J. Rowell, Jr.  
Gary C. Schultz

(Editorially amended.)

9. **Report on the Election of Trustees by Alumni**

The judges of the election, Joel N. Myers and Anne Riley, will report on the counting of the ballots in the election of Trustees by alumni.

10. **Report on the Election of Trustees by Agricultural Delegates**

A report on the election of Trustees by delegates from agricultural societies will be given by Chairman of the Board Steve A. Garban.

11. **Election of Trustees Representing Business and Industry Endeavors**

The Selection Group on Business and Industry Trustees recommends to the Board of Trustees the names of two candidates for election as trustees representing business and industry endeavors for three-year terms beginning July 1, 2010.

Will the Board of Trustees adopt the following resolution:

RESOLVED, that the following individuals are elected as members of the Board of Trustees representing business and industry endeavors for a three-year term beginning July 1, 2010:

Karen B. Peetz  
John P. Surma

12. **Announcements by the Chairman of the Board of Trustees**

1. Information on Undergraduate Programs

A. College of Agricultural Sciences

- 1) Natural Resources Engineering Option in the Bachelor of Science in Biological Engineering: New Option; and Food and Biological Processing Option in the Bachelor of Science in Biological Engineering: Change of Name from the Biological and Food Engineering Option

The new option provides students the opportunity to further specialize in natural resource-related courses and enhances the breadth and depth of engineering skills related to the natural resources field. The new option and name change will become effective Summer Session 2010.

B. The Mary Jean and Frank P. Smeal College of Business

- 1) Bachelor of Science in Economics: Phase-Out of Program

Bachelor of Science in Economics programs have been offered through both The Mary Jean and Frank P. Smeal College of Business and the College of the Liberal Arts, in addition to the Bachelor of Arts in Economics degree in the College of the Liberal Arts. This will unify the two bachelor of science programs within the College of the Liberal Arts. The phase out of the program will become effective Summer Session 2010.

C. College of Engineering

- 1) Minor in Chemical Engineering: Phase-Out of Minor

Low enrollments support the decision to discontinue the minor. Current students will have the opportunity to complete their program. There will be no impact on tenure track faculty. The elimination of the minor will become effective Summer Session 2010.

D. College of Health and Human Development

- 1) Minor in Global Health: New Minor

The new minor provides students with a multidisciplinary exposure to the theoretical and practical health issues affecting various countries and regions of the world. The new minor will become effective Summer Session 2010.

1. **Naming of Rooms, Portions of Buildings and Plazas**

The Facilities Naming Committee has made certain recommendations to the President on the naming of rooms, portions of buildings and plazas. In accordance with the Policy on Naming University Facilities, the Board of Trustees is hereby informed that the President has approved the following naming actions:

- A. A small group study pod in the Knowledge Commons of Pattee Library the "Mabel C. and John P. Crispell Small Group Study Pod," for a gift from Mabel and John Crispell.
- B. The newly renovated Deike Building Plaza for a gift from the HRH Foundation. The plaque should read *Deike Building Plaza, Gift from HRH Foundation*.
- C. The atrium that connects the existing Moore Building with the new addition the "Tracy Winfree McCourtney Atrium," for a gift from Tracy and Ted McCourtney.
- D. The complex comprised of the Brazeale Nuclear Reactor and its associated facilities the "Radiation Science and Engineering Center."

(See Appendix II.1)

2. **Status of Major Construction Programs and Borrowing**

(See Appendix II.2)

3. **Summary of Revisions to Existing Scholarships, Fellowships, Etc. (For the period February 22, 2010 through April 16, 2010)**

Will the Committee on Finance and Physical Plant recommend to the Board of Trustees adoption of the following resolution:

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.

4. **Acknowledgments of Endowments and Other Major Commitments**

The Committee on Finance and Physical Plant is advised that for the period February 22, 2010 through April 16, 2010, 52 new funds totaling approximately \$3,124,395 were accepted by the University, including scholarships, fellowships, etc. All of these items conform to established University policies and regulations.

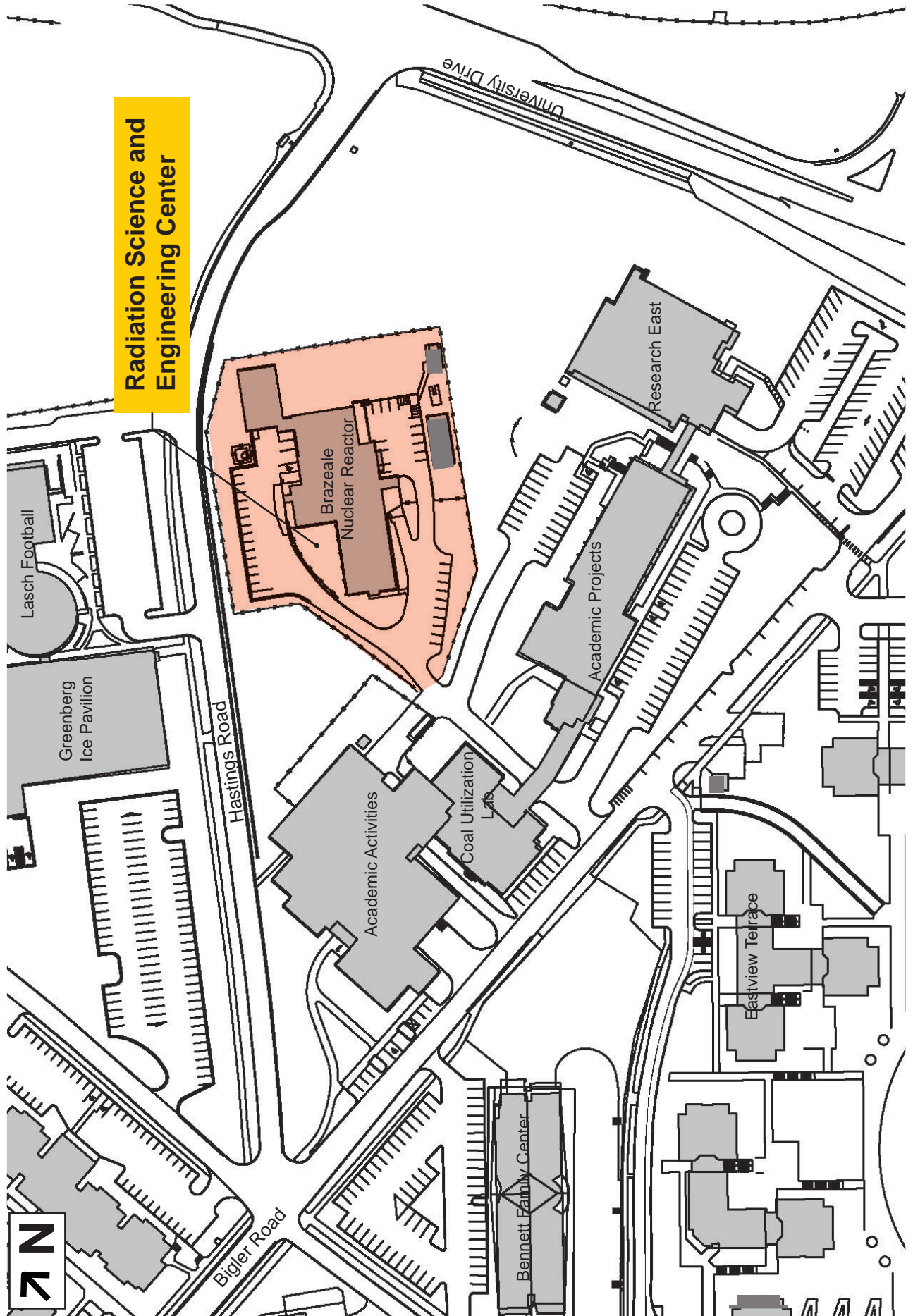
For the period January 1, 2010 through February 28, 2010, 44 major commitments were accepted by the University totaling approximately \$18,808,438.

Will the Committee on Finance and Physical Plant recommend to the Board of Trustees adoption of the following resolutions:

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 May 14, 2010.

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.

# University Park



(Appendix II.1)

STATUS OF MAJOR CONSTRUCTION PROGRAMS AND BORROWING  
 April 30, 2010  
 Projects in 5-Year Capital Plan

Campus	Project Data				BOT Milestones			Construction		Notes
	Project Name	Budget Amount	Commonwealth Funding	Gift Amount	ArchEng Selection	Design Plan Approval	Start Date	Completion Date		
Beaver	Gym Addition	\$2,200,000	\$0	\$100,000	03/10	03/11	03/11	01/12	Project in design.	
Berks	Classroom / Laboratory Building	\$25,700,000	\$0	\$3,000,000	11/07	01/10	04/10	12/11	Project scheduled to begin in April 2010.	
Erie	Dobbins Hall Addition and Renovation	\$7,500,000	\$0	\$0	05/04	07/09	08/09	08/10	Construction is approximately 75% complete.	
Harrisburg	Robert and Sally Mezgar Alumni & Admissions Welcome Center	\$4,700,000	\$0	\$2,000,000	N/A	03/09	04/09	05/10	Construction is approximately 95% complete.	
Hershey	Residence Hall	\$10,000,000	\$0	\$0	03/08	03/09	07/09	08/10	Construction is approximately 65% complete.	
	Children's Hospital	\$206,500,000	\$14,000,000	\$65,000,000	11/05	11/09	03/10	09/12	Construction began in March 2010.	
	Support Services Building	\$19,000,000	\$0	\$0	01/09	03/10	07/10	11/11	Project being prepared for bid.	
	Parking Garage Phase II	\$20,300,000	\$0	\$0	11/05	11/09	11/09	02/11	Construction is approximately 40% complete.	
University Park	Henderson Bridge (Phase I)	\$46,600,000	TBD	\$0	01/08	09/10	09/10	08/12	Project in design.	
	Henderson South (Phase II)	\$56,500,000	TBD	\$0	01/08	TBD	TBD	TBD	Project in design to schematic level.	
	Softball Stadium	\$10,200,000	\$0	\$525,000	11/04	03/10	03/10	03/11	Construction began in March 2010.	
	Biological Research Laboratory	\$23,000,000	TBD	\$0	11/07	09/10	11/10	11/11	Project in design. NIH Grant received.	
	Gary Schultz Child Care Center at Hort Woods	\$11,000,000	\$0	\$0	05/08	01/10	03/10	04/11	Construction began in March 2010.	
	Millennium Science Complex	\$215,000,000	\$87,600,000	\$0	03/05	09/08	09/08	07/11	Construction is approximately 45% complete.	
	Airport Traffic Control Tower	\$6,400,000	\$0	\$0	N/A	09/09	12/09	11/10	Construction is approximately 15% complete.	
	Moore Building Addition	\$28,100,000	\$22,750,000	\$1,800,000	07/08	05/10	06/10	12/11	Project out for bid.	

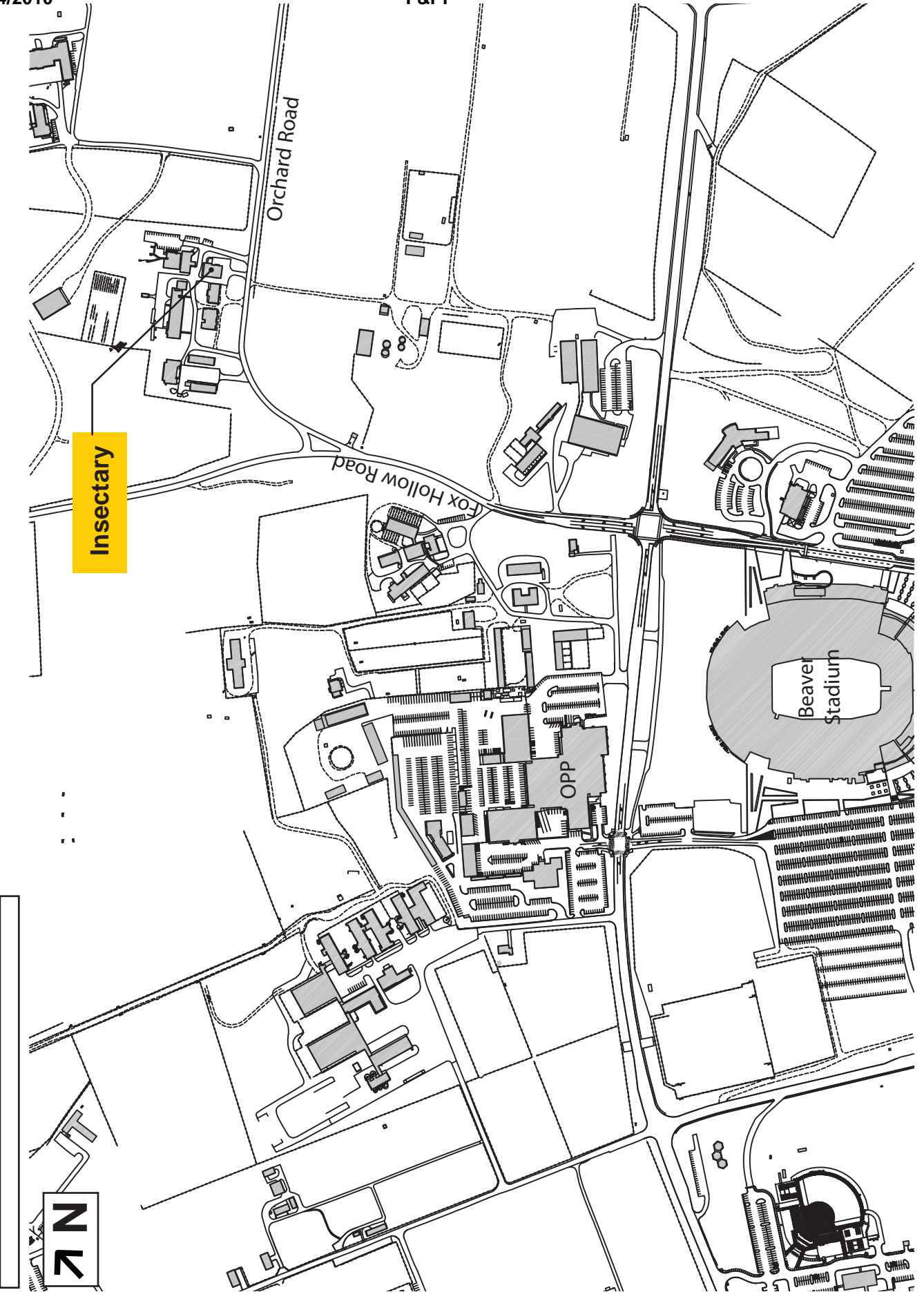
Bold - Completed, Italics - Projected

Authorized Borrowing Status - \$(000) (excluding PCT)	
Borrowing Authority per May 2007 Board of Trustees	\$600,000
Capital Leases, Bonds, & Notes Issued	(\$149,700)
Series 2010 Bonds (closing scheduled 5/20/10)	(\$150,000)
Future Capitalized Leases & Anticipated Commitments	(\$6,800)
Estimated Authority Remaining	\$293,500

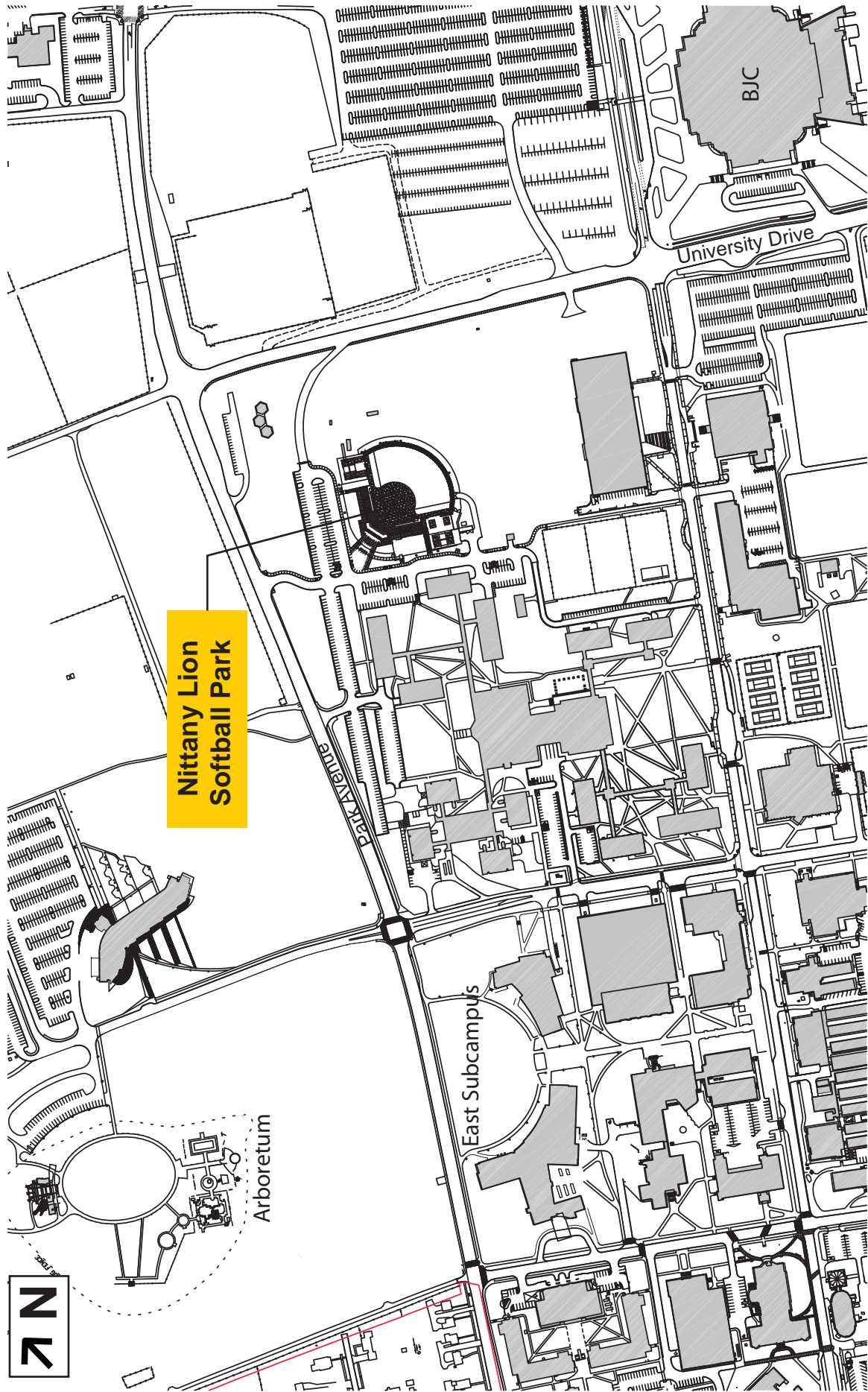
Summary of University Long-Term Debt - \$(000) (excluding PCT)	
Total bonds, notes and capital leases as of June 30, 2009	\$980,614
Bonds, notes, and capital leases issued year to date fiscal year 2009/10	\$2,000
Year to date principal payments and premium amortizations	(\$44,205)*
Total bonds, notes and capital leases as of April 30, 2010	\$938,409

\* Related interest expense totals approximately \$32,344

# University Park



# University Park



## C O N T E N T S

### STANDING ORDERS OF THE BOARD OF TRUSTEES

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## STANDING ORDERS OF THE BOARD OF TRUSTEES

### ORDER I. THE FOLLOWING SPECIAL COMMITTEES AND SUBCOMMITTEES ARE HEREBY ESTABLISHED:

- (1) Nominating Committee. The President of the Board, after consultation with the President of the University, is authorized to appoint a nominating committee composed of three members to recommend to the Board candidates for election to membership on the Executive Committee and to recommend candidates for the rank of trustee emeritus in accordance with established guidelines.
- (2) Subcommittee on Architect/Engineer Selection (of the Committee on Finance and Physical Plant).
  - (a) This subcommittee will be composed of three members of the Committee on Finance and Physical Plant.
  - (b) When it becomes necessary for the Board to appoint an executive architect or engineer for **major** University physical plant projects, University staff will prepare a list of not less than three nor more than five firms for consideration by the subcommittee.
  - (c) The qualifications of these firms to perform this particular professional activity as well as background information regarding the type of firm and previous professional work will be presented to the subcommittee.
  - (d) Based on this information, and upon any recommendation that may be forthcoming from a program committee, and any additional information the subcommittee may request, the subcommittee, after discussion with the staff, will recommend to the Committee on Finance and Physical Plant the firm that they recommend the Board should appoint.
- (3) Subcommittee on Audit (of the Committee on Finance and Physical Plant).
  - (a) This subcommittee will be composed of four members of the Committee on Finance and Physical Plant.
  - (b) This subcommittee shall be responsible for reviewing on a regular basis the performance and determinations of the auditing firm and informing the Committee on Finance and Physical Plant regarding relevant financial oversight matters.
- (4) Subcommittee on Finance (of the Committee on Finance and Physical Plant).
  - (a) This subcommittee will be composed of three members of the Committee on Finance and Physical Plant.
  - (b) This subcommittee shall be responsible for reviewing on a regular basis certain of the University's material financial matters, including the operating and capital budgets, balance sheet management and debt strategy, and informing the Committee on Finance and Physical Plant regarding relevant financial oversight matters.

### ORDER II. SPECIAL ASSIGNMENTS

- (1) Trustee Representative at All Commencements. The Board of Trustees shall be represented at all Commencements by the President of the Board or by trustees designated by the President of the Board.

- (2) Trustee Representative at Meetings of the Executive Board of the Alumni Association. On recommendation of the Executive Board of the Alumni Association, the President of the Board is authorized to appoint a trustee to attend all official meetings of the Executive Board of the Alumni Association.
- (3) Trustee Liaison to Capital Campaigns. The President of the Board is directed to appoint a liaison trustee to interact with developmental activities for capital campaigns and to apprise the Board of Trustees of the activities and the progress of campaigns.

### ORDER III. ATTENDANCE

- (1) Regular attendance at meetings by members of the Board is expected. If an appointive or elective member of the Board is unable to attend at least four of the six scheduled meetings each year, such Board member should discuss with the President of the Board the question of his/her ability to continue attendance appropriate to a trustee.

### ORDER IV. MATTERS REQUIRING APPROVAL OF THE BOARD OF TRUSTEES

- (1) Basic University Organization and Policy
  - (a) All matters pertaining to the Corporate Charter and Bylaws.
  - (b) All reports of standing or special committees of the University's Board of Trustees.
  - (c) All major modifications of educational policy.
  - (d) Authorization to grant degrees to graduates.
  - (e) University intellectual property policy.
- (2) Fiscal Matters
  - (a) Establishment of, or changes in existing, major University fiscal policies.
  - (b) Annual **operating** budgets and changes in the approved totals, state appropriation requests, and appropriation of building funds unappropriated.
  - (c) Acceptance of gifts, bequests, grants, fellowships, scholarships, loan funds that are not in accord with established policy.
  - (d) Establishment of, or changes in, fees including tuition, room and board.
  - (e) Authorization to borrow money; authorization of persons to sign checks, contracts, legal documents, and other obligations, and to endorse, sell, or assign securities.
  - (f) Selection of firm to make annual audit of University accounts.
  - (g) Purchase **of property over \$1 million in value** or sale of University property, with the exception of the sale of property up to \$3 million in value gifted to the University for the express purpose of sale with proceeds benefitting the University.
- (3) Personnel Matters
  - (a) The establishment of senior administrative positions responsible directly to the President and the determination of the functions of such positions shall be made by the President of the University. The appointment to and removal of senior administrative officers in these positions shall be made by the President of the University, subject to the approval of the Board of Trustees. All other administrative officers with the title of vice president or dean shall be appointed by the President, subject to the approval of the Board of Trustees. Removal of such administrative

officers with the title of vice president or dean shall be made by the President and, in such event, the President shall inform the Board of Trustees of such removal at the next regular meeting of the Board.

- (4) Physical Plant
- (a) Establishment of, or changes in existing policies, on matters such as selection of architects, naming of buildings and roads, preservation of campus landmarks.
  - ~~(b) Long-range planning for physical development, including location and construction of buildings, utilities, and recreation areas, and any sites in variance with the accepted master plan.~~
  - ~~(c)~~ **(b)** Approval of land and other real estate to be considered for purchase **over \$1 million in value** or sale, with the exception of the sale of land and other real estate up to \$3 million in value gifted to the University for the express purpose of sale with proceeds benefitting the University.
  - ~~(d)~~ **(c)** Approval of specific names for individual buildings and roads.
  - ~~(e)~~ **(d)** Design plans for buildings and facilities to be constructed **or significant alteration to existing buildings**, with the exception of temporary buildings or buildings under \$25 million in cost. Review and approval may be requested by the administration in lieu of presentation as an information item for projects of a special nature that fall below the \$25 million level.
  - (e) Projects under \$5 million in cost that are bond-financed.**
  - (f) Approval to award contracts for construction; provided, however, that the Officers of the University shall have the discretion to expend up to an additional 10 percent of the authorized construction cost, as necessary.
  - (g) Appointment of architect for construction of major projects.
- (5) Miscellaneous
- (a) Selection of the recipients of Distinguished Alumni Awards, honorary degrees, and the Penn State Medal.
  - (b) Selection of specific dates for trustee meetings.

#### ORDER V. MATTERS TO BE PRESENTED TO THE BOARD OF TRUSTEES FOR INFORMATION

- (1) Basic University Organization and Policy
- (a) New curricula and major changes in existing curricula.
  - (b) Major policy matters affecting student welfare and activities.
  - ©) Major policy matters affecting research.
- (2) Fiscal Matters  
Financial statements, and gifts, bequests, grants, fellowships, scholarships, loan funds that are in accord with established policy.
- (3) Personnel Matters
- (a) Policies. New policies or changes in existing policies governing appointments, promotions in academic rank, leaves of absence, resignations, retirements, academic freedom and tenure, hours and conditions of employment, and fringe benefits.

- (4) Physical Plant
  - (a) **New construction or renovation** projects with a cost between \$1,000,000 and \$1,999,999,999.
  - (b) Naming of rooms, portions of buildings, and plazas.
  - (c) **Real estate purchases less than \$1 million in value.**
  - (d) Proceeds from the sale of land and other real estate gifted to the University for the express purpose of sale.
  - (e) **Capital budget request submitted to the Commonwealth of Pennsylvania.**

**ORDER VI. PROCEDURES FOR THE ELECTION OF TRUSTEES BY ALUMNI  
(see also the Charter)**

- (1) Qualifications of Candidates for Trustee. See Art. 2 of the Corporate Bylaws.
- (2) Date of Election. Elections for alumni members of the Board shall be held each year on the day preceding the annual Commencement, under the direction of two judges annually appointed for that purpose by the President or Acting President of the Board, and may be held either in connection with the Delegate Convention for the election of other members of the Board, or at such other hour of the same day, and such other place, as the Board may from time to time direct.
- (3) Nominations. The Secretary of the Board of Trustees, or such other officer as may be from time to time designated by said Board, shall send to each qualified elector (see Charter provision) whose address is known a notice stating the date at which the next election will be held and the names of alumni trustees whose terms will expire by law on the thirtieth day of June next following. Such notice shall be sent each year not less than ninety days preceding the date on which such election is to be held, and shall invite nominations for vacancies then to occur. All persons who are nominated by as many as fifty electors shall be announced as soon as practical after the tenth day of April each year in a circular sent to all electors, with a form of ballot.
- (4) Correction of Mailing List. The Office of the President is instructed to provide for correction of the mailing list.
- (5) Form of Ballot. Only the official nominating and voting ballots may be used to nominate and vote for candidates.
- (6) Position on Ballot. Immediately after the last day fixed for depositing ballots to nominate candidates for alumni trustee, the President of the Board of Trustees shall fix a day and hour for casting lots for the position of names upon the election ballots. The Secretary of the Board of Trustees shall give at least three days' notice by mail of said date and hour to all candidates nominated. Any candidate may appear in person or by a representative duly authorized in writing. In the event that any candidate is not present in person or by duly authorized representative at the time of casting of lots, it shall be the duty of the Secretary to appoint some person to represent such absentee. After said lots are cast, the Secretary shall accordingly establish the order in which the names of said candidates are to appear on the election ballot.

- (7) Designation of Incumbents. The asterisk identifying incumbents shall be eliminated from election ballots, but the booklets of biographical sketches shall continue to identify incumbents with an asterisk.
- (8) Position in Booklet of Biographical Sketches. Candidates' names shall be in alphabetical order in the booklet of biographical sketches.
- (9) Duplicate Ballots. A duplicate ballot may be issued to a voter only on a written or personal application to the Secretary of the Board of Trustees stating that the original ballot has been lost, mutilated, or destroyed.
- (10) Deadline for Receipt of Nominations. Ballots for the nomination of alumni trustees must be received at the office of the Secretary of the Board of Trustees before 5:00 p.m., February 25.
- (11) Candidate May Withdraw Name. Each candidate nominated shall be given the privilege of withdrawing his/her name.
- (12) Election Returns. All ballots for alumni trustees returned to the proper official in response to said circular and received by him/her on or before the day of election shall be safely kept by him/her, and by him/her delivered at the time and place of election to the two judges named in the charter and shall by them be counted as cast at that time and place. Said judges shall make return to the Board of Trustees of the persons for whom ballots have been cast, either by letter or by electors in person, with the number of votes for each person; and the Board of Trustees shall thereupon determine and declare what persons have been elected to fill the vacancies aforesaid. A plurality of votes only shall be required to elect and, in case of an equality of votes between two or more candidates, the person or persons who shall hold said office or offices of trustee shall be designated by ballot of the Board of Trustees.
- (13) Announcement of Results. The names of the winning candidates in the election shall be given publicity in the public press (and no reference shall be made to the other candidates for the three offices). The names of all candidates and the number of votes received by each shall be reported to the Alumni Association for publication in The Penn Stater only.

**ORDER VII. SELECTION GROUP ON BOARD MEMBERSHIP FOR BUSINESS AND INDUSTRY TRUSTEES (see also the Charter)**

The Selection Group on Board Membership for Business and Industry Trustees shall be composed of five members (three seated or emeriti trustees representing business and industry endeavors excepting those standing for reelection; and two trustees from among those elected by the alumni, elected by agricultural associations, or appointed by the governor.) The selection group shall be appointed annually by the President of the Board for the purpose of recommending two candidates for membership on the Board of Trustees representing business and industry endeavors. The names and qualifications of the candidates shall be submitted for confirmation by the Board of Trustees (approval or rejection of recommended candidates only).

**ORDER VIII. RULES AND REGULATIONS FOR THE CONDUCT OF PUBLIC MEETINGS OF THE BOARD OF TRUSTEES, ITS STANDING COMMITTEES AND ITS SPECIAL COMMITTEES**

- (1) Meetings Open to the Public. A meeting of the Board of Trustees, its Executive Committee, its Standing Committees, and its Special Committees shall be open to the public, except as provided in paragraph (13) hereof. The term "meeting" means any prearranged gathering which is attended or participated in by a quorum and held for the purpose of deliberating University business or taking official action. The term "University business" means the framing, preparation, making or enactment of policy or regulations, the creation of liability by contract or otherwise, or the adjudication of rights, duties and responsibilities, but not including administrative action. The term "administrative action" means the execution of policies relating to persons or things previously authorized or required by official action adopted at an open meeting of the Board of Trustees. The term "administrative action" does not include the deliberation of University business. The phrase "deliberating University business" shall mean the discussion of University business held for the purpose of making a decision. The phrase "official action" means (1) the making of a recommendation pursuant to statute, ordinance or executive order, (2) the establishment of policy, (3) the making of a decision on University business or (4) the vote taken on any motion, proposal, resolution, rule, regulation, ordinance, report or order.
- (2) Annual Public Notice of All Meetings. Public notice of the date, time, and place of all regularly scheduled meetings of the Board of Trustees, its Executive Committee, its Standing Committees, and its Special Committees for the calendar year shall be published annually in all daily newspapers of general circulation published in Centre County, and in at least one daily newspaper of general circulation in Pennsylvania. Such notice for meetings at locations other than University Park shall be published in a daily newspaper of general circulation in the political subdivision in which such meetings are to be held.
- (3) Public Notice of Individual Meetings. Public notice of the date, time, and place of each regular meeting shall be given and published in the daily newspapers of general circulation as indicated above, at least three days prior to the time of each regularly scheduled meeting, and at least twenty-four hours prior to the time of the meeting in the case of special or rescheduled meetings. This provision shall not apply in case of a meeting called to deal with an emergency involving a clear and present danger to life or property.
- (4) Posting of Notices. Public notice of all meetings of the Board of Trustees, its Executive Committee, its Standing Committees, and its Special Committees shall be posted at the offices of the Secretary of the Board of Trustees at University Park, Pennsylvania.
- (5) News Media Notices. Notice of the date, time, and place of meetings shall be furnished on request to any newspaper publishing in the political subdivision in which the meeting will be held and to any radio and television station which regularly broadcasts into the political subdivision (Centre County in the case of meetings at University Park).
- (6) Notice to Others. Notice of meetings shall also be furnished to anyone providing a stamped, self-addressed envelope prior to the meeting.

- (7) Meeting Room. Meetings of the Board of Trustees, its Executive Committee, its Standing Committees, and its Special Committees shall be held in a room large enough to accommodate the members of the Board of Trustees, officers of the University, and invited guests. Space shall also be available for up to twenty-five visitors, including representatives of the news media, on a first-come, first-served basis. The room will be opened one-half hour prior to the starting time of the meeting.
- (8) Arrangements for News Media Area and Press Conferences. An area in the meeting room shall be designated by the University for use by the press and other news media, subject to such rules and regulations as the University may adopt. To further facilitate communications between the Board and the public, the President of the Board and/or the President of the University shall hold press conferences as necessary following meetings of the Board of Trustees.
- (9) Visitors to the Meetings. Visitors to the meetings, including representatives of the news media, shall be present as observers, and not as participants. Any form of participation including speaking, the presentation of petitions, and the display of banners, posters, and other forms of signs is prohibited. This rule does not apply to guests invited by the President of the Board or the President of the University.
- (a) The President of the Board or the President of the University shall be authorized to invite one student and one faculty member to participate in the discussion of agenda items at meetings of the Board of Trustees under existing Rules and Regulations.
- (b) Three non-voting faculty representatives and three non-voting student representatives may be invited to attend and participate in the meetings of standing committees and of special committees, except executive sessions of the committees. The faculty and student representatives shall be selected by the President of the University in such manner as he/she deems appropriate.
- (10) Photographic and Recording Equipment. Visitors to the meeting, including representatives of the news media, shall be allowed to use battery-operated audio tape recorders, television cameras and photographic equipment subject to the following regulations:
- (a) A designated area in the meeting room shall be used by all visitors to the meeting using television cameras or photographic equipment.
- (b) Television cameras and related equipment shall be allowed entry into the meeting room for set up purposes during the one-half hour period prior to the starting time of the morning and afternoon meetings. Television cameras and related equipment shall not be allowed entry into the meeting room after the starting time of the meeting, except during the course of a meeting recess, in which event entry will be permitted.
- (c) Television cameras and photographic equipment shall be required to use available light during the meeting. Artificial lighting and flashes shall not be used during the meeting.
- (d) No voice-over broadcasting shall be permitted during the meeting.
- (11) Procedures for Committee Meetings and Board Meetings. In conducting the business of the Board of Trustees, its Standing Committees, and its Special Committees, the procedures for the meetings of the Standing Committees and the Special Committees shall provide for full discussion of both information and action items. Following discussion of action items, Standing Committees will

vote to recommend an action to the Board of Trustees. Special committees recommend action to Standing Committees. The Board of Trustees meeting will be devoted primarily to (a) taking formal action on committee recommendations as a block, with Board members having the opportunity to raise questions concerning any of the recommended action items and to call for a separate vote on a given item; (b) considering and acting upon matters which have not come to the Board through a Standing Committee; and (c) receiving the report of the President of the University. The vote of each member of the Board or of a committee on any resolution, rule, order, regulation, ordinance or the setting of official policy must be publicly cast and, in the case of a roll call vote, recorded.

- (12) Agenda for the Meetings. The agenda and supporting material for the meetings of the Board of Trustees, its Executive Committee, its Standing Committees, and its Special Committees shall be available to the public at the time of the meetings. In addition to making available to the public at the time of the meeting the agenda and supporting material, the University will make available five days in advance of the meeting an agenda of items to be considered with a note that the agenda of items is subject to change without notice prior to the meeting.
- (13) Executive Sessions of the Board of Trustees. The Board of Trustees, its Executive Committee, its Standing Committees, and its Special Committees may hold an executive session for one or more of the following reasons:
- (a) To discuss any matter involving the employment, appointment, termination of employment, terms and conditions of employment, evaluation of performance, promotion or disciplining of any specific prospective officer or employee or current officer or employee employed or appointed by the University, or former officer or employee, provided, however, that the individual employees or appointees whose rights could be adversely affected may request, in writing, that the matter or matters be discussed at an open meeting.
  - (b) To hold information, strategy and negotiation sessions related to the negotiation or arbitration of a collective bargaining agreement or, in the absence of a collective bargaining unit, related to labor relations and arbitration.
  - (c) To consider the purchase or lease of real property up to the time an option to purchase or lease the real property is obtained or up to the time an agreement to purchase or lease such property is obtained if the agreement is obtained directly without an option.
  - (d) To consult with its attorney or other professional advisor regarding information or strategy in connection with litigation or with issues on which identifiable complaints are expected to be filed.
  - (e) To review and discuss University business which if conducted in public would violate a lawful privilege or lead to the disclosure of information or confidentiality protected by law, including matters related to the initiation and conduct of investigations of possible or certain violations of the law and quasi-judicial deliberations.
  - (f) To discuss matters of academic admission or standings.

The executive session may be held during an open meeting, at the conclusion of an open meeting, or may be announced for a future time. The reason for holding the executive session must be announced at the open meeting occurring immediately prior or subsequent to the executive session. If the executive session is not announced for a future specific time, members of the Board of Trustees shall be notified 24 hours in advance of the time of the



convening of the meeting specifying the date, time, location and purpose of the executive session. Official action on discussions held in executive session shall be taken at an open meeting. An executive session may be called by the President of the Board of Trustees or the President of the University, or, in the absence of the President of the Board of Trustees, the Vice President of the Board. A majority of the members present and voting may determine to adjourn and direct that notice of a public meeting at a subsequent time be given, rather than proceed in executive session.

- (14) Maintaining Order. The presiding officer at public meetings of the Board of Trustees, its Executive Committee, its Standing Committees, and its Special Committees shall have the authority to maintain order during the public meeting. Any person who, in the opinion of the presiding officer, prevents, disturbs, or interrupts a public meeting may be requested to leave the public meeting, and, upon failure to comply, may be subject to forcible removal and/or arrest for violation of the Penal Code of Pennsylvania.
- (15) Minutes of Public Meetings. The minutes of public meetings of the Board of Trustees, its Executive Committee, its Standing Committees, and its Special Committees shall be available for inspection and copying during regular business hours at the office of the Secretary of the Board of Trustees. A copy of minutes of public meetings shall be available to a member of the public upon payment of the reasonable cost of reproduction.
- (16) Revisions in the Rules and Regulations for Public Meetings. The Board of Trustees will periodically review the Rules and Regulations for the Conduct of Public Meetings and make such revisions as experience indicates are appropriate and desirable.

## **ORDER IX. GOVERNANCE OF THE UNIVERSITY**

- (1) Role of the Board of Trustees in University Governance
- (a) Authority of the Board of Trustees. The Board of Trustees of The Pennsylvania State University is the corporate body established by the charter with complete responsibility for the government and welfare of the University and all the interests pertaining thereto including students, faculty, staff, and alumni.
- (b) Guiding Policies. In the exercise of this responsibility, the Board shall be guided by the following policies:
1. Delegation of authority. The authority for day-to-day management and control of the University, and the establishment of policies and procedures for the educational program and other operations of the University, is delegated to the President, and by him/her either by delegation to or consultation with the faculty and the student body in accordance with a general directive of the Board.
  2. Reports and information required. This delegation of authority requires that the Board rely on the judgment and decisions of those who operate under its authority. However, this reliance of the Board must be based upon its continuing awareness of the operations of the University. Therefore, the Board shall receive and consider thorough and forthright reports on the affairs of the University by the President or those designated by the President. It has a continuing obligation to require information or answers on any University matter with which it is concerned.
  3. Advisor to the President. It is the duty of the Board to advise the President on any University matter.

- (c) Responsibilities of the Board of Trustees. The Board of Trustees shall carry out certain responsibilities as a Board, without delegation. These responsibilities are:
1. The selection, support, compensation (in accordance with the Board of Trustees Policy and Authorization for Executive Compensation adopted in 1982), and evaluation of the President of the University. This responsibility includes a commitment to grant the President broad delegated authority, to support the President in his/her exercise of such authority, to judge the performance of the President, and if necessary, to remove the President. In the selection of a President, the Board shall consult with representatives of the faculty and the student body.
  2. The determination of the major goals of the University and the approval of the policies and procedures for implementation of such goals. The determination of the major goals of the University shall include the establishment and review of long-range plans for the educational, financial, and physical development of the University.
  3. The review and approval of the operating and capital budget of the University.
  4. Such other responsibilities as law, governmental directives, or custom require the Board to act upon. Among these are included:
    - a. Amend the Charter and Bylaws
    - b. Buy real estate over \$1 million in value and sell real estate, with the exception of the sale of real estate of up to \$3 million in value gifted to the University for the express purpose of sale with proceeds benefitting the University
    - c. Borrow money
    - d. Transfer trust assets
    - e. Transfer securities
    - f. Authorization to receive certain government grants
    - g. Establish appropriate investment policies and exercise prudent oversight of the University's endowment, finances, and other tangible assets
    - h. Ensure an independent audit of the University's finances
    - i. Review and continuously improve the Board's performance
 It is recognized that the performance of some of these responsibilities does involve the Board to some extent in the day-to-day operations of the University. Whenever possible, the Board shall devote its major time and consideration to its broader responsibilities for the welfare of the University.
- (d) Responsibility to Inform the Citizens of Pennsylvania. The Board of Trustees shall inform the citizens of the Commonwealth of Pennsylvania of the University's performance of its role in the education of the youth of Pennsylvania.
- (e) Responsibility for Development of Effective Relationships. The Board of Trustees shall assist the President in the development of effective relationships between the University and the various agencies of the Commonwealth of Pennsylvania and the United States of America which provide to the University assistance and direction.

- (f) Expectations of Membership. In exercising the responsibilities of trusteeship, the Board of Trustees is guided by the expectations of membership, each of which is equally important:
1. Understand and support the University's mission, vision, and values
  2. Act in good faith at all times and in the best interests of the University in a non-partisan manner
  3. Make the University a top philanthropic priority to the very best of one's personal ability
  4. Prepare diligently, attend faithfully, and participate constructively in all Board meetings and related activities by reading the agenda and supporting materials
  5. Speak openly within the Board and publicly support decisions reached by the Board
  6. Make decisions and instruct the administration as a Board, not as individuals
  7. Participate regularly in events that are integral parts of the life of the University community
  8. Disclose promptly and fully any potential or actual conflicts of interest, and personally maintain exemplary ethical standards
  9. Refrain from requests of the president or staff for special consideration or personal prerogatives, including admissions, employment, and contracts for business
  10. Maintain confidentiality without exception
  11. Advocate the University's interests, but speak for the Board or the University only when authorized to do so by the Board or the Chair
  12. Respect established channels to acquire information or open communication with constituents
  13. Extend goodwill to one another and to all members of the University community.
- (g) Final Responsibility of the Board. The Board of Trustees is the final repository of all legal responsibility and authority to govern the University, under the Corporation Code of Pennsylvania. It can delegate but it cannot abandon this responsibility and authority. The Board has the responsibility and duty to direct all organizations and persons participating in governing the University, whether such participation be in the establishment of policies, rules, and regulations, or in the administration of such policies, rules, and regulations. In order to perform this responsibility and duty, and consistent with the Charter, the Board of Trustees hereby directs that governing of the University henceforth be conducted in accordance with the following general plan of organization.
- (2) Internal Governance
- (a) What Internal Governance Is Concerned With. This plan of organization concerns only the internal governance of the University. It is not concerned with the operation of the Board of Trustees, with the functions of the officers of the corporation, or with the establishment of financial policy and fiscal and budgetary controls, which matters are the responsibility of the Board of Trustees, the President, and the Treasurer in accordance with established policy.
- (b) Who Performed By. The internal governance of the University shall be performed by the President and his/her administration, by the faculty, and by the student body in accordance with the delegations of authority and advisory roles hereinafter set forth.

(3) Role of the President in University Governance

- (a) Chief Executive Officer. The Board of Trustees hereby directs that the President of the University, subject to the revisions and orders of the Board, shall be chief executive officer of the University, consistent with such orders of the Board. He/she shall be responsible only to the Board and shall report to the Board.
- (b) Duties as Chief Executive Officer. The President, as chief administrative officer, shall carry out all orders and directives of the Board of Trustees and shall administer all policies of the Board. The President shall also administer all policies established by him/her and by the faculty. The President may delegate such administrative authority as he/she deems appropriate to his/her staff, to the Treasurer, to the deans of the various administrative units, and to others, who shall exercise such delegated authority in the name of the President.
- (c) Responsibility for Senior Administrative Positions. The establishment of senior administrative positions responsible directly to the President and the determination of the functions of such positions shall be made by the President of the University. The appointment to and removal of senior administrative officers in these positions shall be made by the President of the University, subject to the approval of the Board of Trustees. All other administrative officers with the title of vice president or dean shall be appointed by the President, subject to the approval of the Board of Trustees. Removal of such administrative officers with the title of vice president or dean shall be made by the President and, in such event, the President shall inform the Board of Trustees of such removal at the next regular meeting of the Board.
- (d) Duties as Chief Policy Officer. The President, as chief policy officer, shall have final authority, subject to the revisions and orders of the Board, to establish policy concerning educational policy and planning, student affairs, the instructional program, courses and curricula, personnel, admissions, graduation requirements, scholarships and honors, calendar requirements, business, planning, research, and finance.
- (e) Delegation to the Faculty. Provided, however, the President shall delegate to the faculty, as appropriately organized, subject to the revisions and orders of the President, the authority to establish policy concerning the approval and supervision of the instructional program, including courses and curricula, academic admission standards, graduation requirements, and scholarships and honors.
- (f) Consultation with the Faculty. The President shall consult with the faculty, as appropriately organized, in the establishment of policy concerning educational policy and planning, including general admissions policy, calendar, academic personnel, student affairs, and any other matter he/she shall deem appropriate.
- (g) Consultation with Student Body on Student Affairs. The President shall consult with the student body, as appropriately organized, in the area of student affairs.

(4) Faculty

- (a) Responsibilities. The faculty, as appropriately organized, pursuant to delegation from the President, and subject to the revisions and orders of the President, shall establish policy concerning the approval and supervision of the instructional programs including courses and curricula, academic admissions standards, graduation requirements, and scholarships and honors.

- (b) Consultation by the President. The faculty shall be consulted by the President concerning student affairs, educational policy and planning, academic personnel, and any other matter upon the request of the President.
  - (c) Communication with the Board. Official faculty communication to the Board of Trustees shall be made through the President.
- (5) Student Body
- (a) Consultation by the President. The student body shall be consulted by the President concerning the establishment of policy for student affairs.
  - (b) Communication with the Board. Official student communication to the Board of Trustees shall be made through the President.
  - (c) Participation in the Deliberations of the Faculty. Students may also participate in an appropriate manner in the deliberations of the faculty subject to the revisions and orders of the President.

## **ORDER X. DELEGATION OF CORPORATE AUTHORITY**

- (1) Board of Trustees Delegation of Authority to Certain University Administrative Officers. The President, Vice President, Secretary, Treasurer, Assistant Treasurer, Senior Vice President for Finance and Business, and Corporate Controller of this Corporation, or any one of such officers be and they are hereby fully authorized and empowered on behalf of the Corporation to execute and acknowledge all deeds, agreements and contracts, and to transfer and endorse, sell, assign, set over and deliver any and all shares of stock, bonds, debentures, notes, evidences of indebtedness or other securities now or hereafter standing in the name of or owned by this Corporation, and to make, execute, acknowledge, and deliver, under the corporate seal of this Corporation, any and all written instruments necessary or proper to effectuate the authority hereby conferred.

The Treasurer, or in the absence of the Treasurer, the Senior Vice President for Finance and Business, may delegate in writing to such employees of the Corporation as they may deem appropriate, the authority to execute and acknowledge on behalf of the University standardized agreements and contracts for which those employees have administrative responsibility.

The Executive Director, Office of Investment Management, or in his absence, the Chief Investment Officer, is hereby fully authorized and empowered on behalf of the Corporation to transfer and endorse, sell, assign, set over and deliver any and all shares of stock, bonds, debentures, notes or other securities now or hereafter standing in the name of or owned by this Corporation, and to make, execute, acknowledge, and deliver, under the corporate seal of this Corporation, any and all written instruments necessary or proper to effectuate the authority hereby conferred.

The Associate Vice President for Finance and Business and Controller, or, in his/her absence, the Associate Controller, be and they are hereby fully authorized and empowered on behalf of the Corporation to execute and acknowledge all agreements and contracts related to the affairs of the College of Medicine.

The Associate Secretary and Assistant Secretary of this Corporation, or any one of such officers, be and they are hereby fully authorized and empowered on behalf of this Corporation to make, execute, acknowledge, and deliver, under the corporate seal of this Corporation, any and all written instruments necessary or proper to effectuate the authority hereby conferred.

#### **ORDER XI. TRUSTEE EMERITUS**

- (1) Granting the Status of Trustee Emeritus to Former Members of the Board. The status of Trustee Emeritus shall be reserved for any living former member of the Board of Trustees who has served as a board member for 12 years or more with distinction. The President of the Board shall request the Nominating Committee to review the service of a Trustee upon retirement. The committee may recommend to the Board that emeritus status be awarded to the retired trustee. Criteria to be considered by the committee shall include offices held, attendance record, participation in the activities of the Board, length of service, or other significant contributions. A trustee emeritus shall have none of the obligations of membership on the Board of Trustees, but shall be entitled to all of the privileges except those of making motions, of voting and of holding office. Any trustee having served 20 years on the effective date of this resolution will be entitled to automatic trustee emeritus status in accordance with the prior policy.

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abc - denotes additions