

PENNS<sup>T</sup>ATE

---



---

**Meetings of the Board of Trustees**

**May 8, 2015**

# **Minutes**

**MINUTES OF MEETINGS OF  
BOARD OF TRUSTEES  
VOLUME 287  
TABLE OF CONTENTS**

	<u>PAGES</u>
Board of Trustees	
Public Comment.....	1
President's Report.....	2
Provost's Report.....	3
Reports of the Standing Committees	
A. Committee on Academic Affairs and Student Life.....	3-4
B. Committee on Audit and Risk.....	4
C. Committee on Compensation.....	4
D. Committee on Finance, Business and Capital Planning.....	5-7
E. Committee on Governance and Long-Range Planning.....	7-8
F. Committee on Legal and Compliance.....	8
F. Committee on Outreach, Development and Community Relations.....	8
Appendix I.....	11-51
Appendix II.....	52-73

287-1

MINUTES OF MEETING

**BOARD OF TRUSTEES**

VOLUME 287

May 8, 2015

A meeting of the Board of Trustees was held in Dean's Hall of the Penn Stater Conference Center Hotel, University Park, PA, at 1:30 p.m. on May 8, 2015.

The following Trustees were present: Masser (chairman), Casey (vice chairman), Barron, Benson, Brown, Dambly, Dandrea, Doran, Eckel, Frazier, Goldstein, Harpster, Hintz, Huber, Jubelirer, Lubrano, McCombie, Mead, Oldsey, Pope, Rakowich, Redding, Rivera, Rucci, Shaffer, Silvis; and Hanger. Emeritus Trustees Arnelle, Garban, Jones, Riley, Rowell, Wise, and Wolff were also present.

Present by invitation were faculty representatives Ansari, Pauley, and Strauss; student representatives Horne, Lichvar, and McDonald; representatives Blew, Egolf, Salvino, and Warner; and staff members Andrews, Basso, DiRaimo, Dunham, Gray, Guadagnino, Hanes, Hillemeier, Jones, Kirsch, Lokman, Mulroy-Degenhart, Pangborn, Poole, Sharkey, Sims, and Weidemann.

An opportunity for public comment was provided on May 8, 2015 during a public session of the Board at 11:00 a.m. in Room 109 of the Penn Stater Conference Center Hotel. Five speakers shared their views:

Jeff Goldsmith, alumnus  
Steve Masters, alumnus  
Robert Tribek, alumnus  
Emily Miller, student  
Terry Ford, student

Chairman Masser's opening remarks are included as follows:

“Good afternoon and welcome.

“Let me begin by expressing my appreciation to several Board members who will be leaving the Board effective June 30, 2015. On behalf of your Board colleagues and the University, I want to thank Trustees Frazier, Hintz, Shaffer, and Taliaferro for your dedicated service to the Board and to Penn State.

“With us today are new Faculty Senate officers: Mohamad Ansari, Chair; Chair-Elect Jim Strauss, and Secretary Laura Pauley. This is the first meeting for these Senate Officers in their respective positions. We look forward to working with all of you.

“Elections for student leadership positions were held recently, and we're pleased to welcome Kevin Horne, President of the Graduate Student Association, who will be part of the Committee on Finance, Business and Capital Planning; and Shawn Lichvar, President of the Council of Commonwealth Student Governments, who will join the Committee on Outreach, Development and Community Relations. We are also pleased that a familiar face and colleague will continue with us, as Emily McDonald has assumed the Presidency of the University Park Undergraduate Association. As the student leadership committee assignment for the Committee on Governance and Long-Range Planning alternates years by organization, we welcome Jessie Blank, Vice President of the Council of Commonwealth Student Governments.

“As the academic year concludes with commencement ceremonies during the next few days, I’d like to thank the faculty, staff, students, and alumni who continue to focus on the mission of this great institution. For those graduating, on behalf of the Board we wish you much success as you embark on your new journeys.

“Speaking of new journeys, I want to recognize Roger Williams, who will be retiring from the University on June 30. As this is your last meeting, Roger, I want to thank you for your dedicated service and commitment to Penn State. Your tireless efforts in connecting alumni to Penn State, and Penn State to alumni, have been remarkable and invaluable. Roger, all the best to you, and thank you for your dedication to Penn State.

“At our March meeting, the Board approved renaming the Blue Band Building to the O. Richard Bundy Blue Band Building in honor of Dr. Bundy’s 32 years of service to the University, including Director of the Blue Band for two decades. Dr. Bundy is with us today, along with Dean of the College of Arts and Architecture Barbara Korner, and I am pleased to share two photographic renderings of the O. Richard Bundy Blue Band Building. Dr. Bundy, on behalf of the Board, the University, and the hundreds of thousands of alumni who take pride in being associated with one of the most recognized collegiate bands, thank you for your dedicated service to Penn State and as you enter into retirement please know that the recognition established by the renaming of this building will remind future generations of the impact and legacy you established. Dr. Bundy, please stand and be recognized with our sincere appreciation.

“A reminder that our *Standing Orders* provide that visitors to our 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. I am asking those in attendance to please respect that rule so that the Board may focus on its deliberations without distraction. I intend to enforce that rule strictly.

The roll was called by Janine Andrews, Associate Secretary of the Board. Following the roll call, the Board voted to approve the minutes of the meetings of the Board held on March 20, 2015.

### **President’s Report**

Dr. Barron reflected on his first year as Penn State President. He recounted his meetings with thousands of students, faculty, staff, donors, friends, community members, legislators, business leaders and others in an effort to learn more about the institution. He noted that the bottom line of all of those interactions was very positive and uplifting. He then reviewed several signals of excellence at Penn State: student demand as evidenced by record student applications; higher test scores and selectivity for incoming students; strong employer recruitment on campus; faculty excellence and the national recognition received; a powerful research enterprise; outstanding students and international awards; and a continued focus on financial security. He also noted that Penn State received strong reviews by external reviewers: Moody’s Investor Services, which gave Penn State an AA2 rating, citing, among other things, significantly strengthened governance and management practices; and the evaluation team for the Middle States Commission on Higher Education, citing 14 commendations in its report. He also introduced several students who recently competed in Penn State-led entrepreneurial challenges. He concluded his remarks by saying that Penn State is remarkably strong and growing stronger, and he will be continuing to tackle the significant challenge of helping the world see Penn State the way it truly is.

For the full text of Dr. Barron’s report and companion slides, refer to Appendix I.

[Appendix I]

### **Provost's Report**

Dr. Nicholas Jones provided a thorough review of Penn State's Strategic Plan for 2015-16 through 2019-20. He walked the Board through its outline, which represents Penn State's blueprint for the future, providing for our institution's mission, vision and values, as well as its foundational principles and imperatives, strategic priorities and supporting efforts.

Dr. Jones explained that while the plan was still a work in progress, that its key elements are coming together quickly with the support of many stakeholders, including members of the University Strategic Planning Committee. As part of developing the University's new Mission and Vision Statements, the group has identified six institutional values that are mission-critical: Integrity, Respect, Responsibility, Discovery, Excellence and Community. He also discussed the plan's foundational principles and its five key priorities, with supporting strategies that will help the University to achieve them. Dr. Jones assured the Board that the strategic plan will be complete by year's end.

For the full text of Dr. Jones' report and companion slides, refer to Appendix II.

[Appendix II]

Following his remarks, Dr. Jones announced the naming of the new Chancellor appointment at Penn State Worthington Scranton, Dr. Marwan A. Wafa. Next, Dr. Jones introduced the new Dean of the College of Information Sciences, Dr. Andrew Sears; Dr. Sears provided brief remarks.

### **Reports from Standing Committees**

Chairman Masser advised that standing Committees met in public session on Thursday, May 7, 2015, to consider any information or action items to come before the board today. Any action item considered and voted on in the Committee was included in reports by the respective Committee chairs. The full Board was asked to consider committee recommendations at the conclusion of each report.

#### **A. Committee on Academic Affairs and Student Life**

Chairman Abe Harpster reported that the Committee on Academic Affairs and Student Life met on Thursday, May 7, with a quorum of the Committee present.

The Committee received the following items for information:

1. Information on Undergraduate Programs
  - a) Plant Genetics and Biotechnology in the Bachelor of Science in Plant Sciences in the College of Agricultural Sciences: New Option
  - b) Mathematics Education 4-8 in the Bachelor of Science in Childhood and Early Adolescent Education in the College of Education: New Option
  - c) Residential Construction Engineering in the College of Engineering: New Minor
  - d) Korean Language in the College of the Liberal Arts: New Minor
  - e) Mechatronics at Penn State Harrisburg: New Minor
  - f) Mechatronics Technology at Penn State Harrisburg: New Minor
  - g) Bachelor of Humanities in Interdisciplinary Humanities to Bachelor of Arts in Humanities at Penn State Harrisburg: Degree and Name Change
2. Information on Graduate Programs
  - a) African American and Diaspora Studies by the Doctor of Philosophy Degree in the College of Arts and Architecture: New Dual-Title Graduate Degree Program
  - b) Data Science and Analytics Intercollege Graduate Degree Program Academically Housed at Penn State Great Valley School of Graduate Professional Studies: New Master of Professional Studies Degree
  - c) Master of Science and Master of Engineering in Industrial Engineering in the College of Engineering: Addition of a Non-Thesis Pathway and Drop the Existing Master of Engineering Degree

- d) Clinical and Translational Sciences by the Doctor of Philosophy Degree in the College of Agricultural Sciences: New Dual-Title Degree Program in Pathobiology

The Committee on Academic Affairs unanimously recommended that the Board of Trustees approve the following resolution:

1. RESOLVED, That the Board of Trustees hereby approves President Eric J. Barron's appointment of Dr. Regina Vasilatos-Younken to the position of Vice Provost for Graduate Education and Dean of the Graduate School, effective May 11, 2015

A motion to approve the foregoing resolution as recommended by the Committee on Academic Affairs and Student Life was made and seconded and approved by the Board.

The Committee held its meeting at the Krause Innovation Studio, a space that serves as the experimental classroom for the College of Education and focuses on innovation and emerging technology that can be utilized by students, staff and faculty. The Committee received updates from administrative liaisons Nick Jones, Executive Vice President and Provost, Robert Pangborn, Vice President and Dean for Undergraduate Education, and Damon Sims, Vice President for Student Affairs. Nick Jones shared a brief update on visits to Commonwealth campuses. Rob Pangborn provided an update on the 2015 admissions cycle, and reported that the new general education curriculum was approved by the Faculty Senate at its April meeting. Damon Sims updated the Committee on Sexual Assault Task Force recommendations, issues related to fraternity and sorority life, and the status of ongoing discussions about race in our community.

UPUA President Emily McDonald reported on UPUA activities and the leadership transition for all of the student government organizations. Finally, the Committee received an informational presentation on digital transformation and learning technology, efforts which span many administrative and academic units.

**B. Committee on Audit and Risk**

Chairman Ira Lubert reported that the Committee on Audit and Risk met on Thursday, May 7, with a quorum of the Committee present.

The Committee reviewed the roles and responsibilities matrix for year ending June 30, 2015 and discussed some considered changes for the matrix for the fiscal year that will end June 30, 2016. Additionally, they reviewed the Operating Guidelines of the committee, which codifies the purpose, composition, authority, meeting framework, and responsibilities.

Corporate Controller, Joseph Doncsecz, reviewed the Office of Management and Budget A-133 reports, and members of the Deloitte team provided an overview of the external audit plan for the upcoming year. Daniel P. Heist, Director of Internal Audit, briefed the Committee on the internal audit follow-up report, covering the status reports received as of March 31, 2015, and provided the annual audit plan status update, as of April 15, 2015.

Trustee Ted Brown, Chair of the Subcommittee on Risk, provided an update on meetings of the Subcommittee. He also recommended a book on risk management that the University has agreed to make available to members of the Board.

There were no action items presented to the Board.

**C. Committee on Compensation**

There was no public meeting of the Committee on Compensation.

**D. Committee on Finance, Business and Capital Planning**

Chairman Mark Dambly reported that the Committee on Finance, Business, and Capital Planning met on Thursday, May 7, with a quorum of the Committee present.

The Committee received the following items for information:

1. Information Items –
  - a) Brick Paver Replacement at Various Locations, University Park
  - b) Wartik Building Second Floor Renovations, University Park
  - c) Agricultural Engineering Swing Space Structure, University Park
  - d) Laundry Building Renovations, University Park
  - e) Bryce Jordan Roof Replacement – Phase II, University Park
  - f) Outreach Building Interior Renovation, Innovation Park
  - g) Outreach Building 329 Interior Renovation, Innovation Park
  - h) Boiler Addition and Campus Loop Piping, Penn State Harrisburg
  - i) Delta Pointe Medical Facility, The Milton S. Hershey Medical Center
  - j) Naming of Rooms, Portions of Buildings, and Plazas
  - k) Sale of Gifted Property – Lot 450, Brisbane Bay Subdivision, Frisco, North Carolina
  - l) Status of Major Construction Programs and Borrowing
  - m) Summary and Designation of Gifts Received by the University
2. Action Items –
  - a) Summary of Revisions to Existing Scholarships, Fellowships, etc.
  - b) Acknowledgement of Endowments and Other Major Commitments

The Committee received reports on the status of Commonwealth Appropriations from Rachel Smith, University Budget Officer and updates on selected construction projects from Ford Stryker, Director of Physical Plant.

Chair Dambly continued with his introductions of Agenda Items for consideration and approval. Agenda Item 2 proposed the Interim Maintenance and Operating Budget for University for the fiscal year beginning July 1, 2015. The Committee approved this resolution by unanimous vote. The final budget is expected to be submitted for approval by the Board at the July 2015 meeting.

Agenda Item 3 proposed the appointment of architect, proposed final plans, and authorization to expend funds for airport site improvements at University Park. The Committee approved this resolution by unanimous vote.

Agenda Item 4 proposed the purchase of Technology Center condominiums at Innovation Park. The Committee approved this resolution by unanimous vote.

Agenda Item 5 proposed the purchase of property on Science Park Road, University Park. The Committee approved this resolution by unanimous vote.

Agenda Item 6 proposed the lease to purchase the Penn Building at Penn State Altoona. The Committee approved this resolution by unanimous vote.

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

1. 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.

2. 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

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.

3. 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, 2015, total budget amounts at the level of the adjusted 2014-15 budget as follows:

	<b>University Park and Other Locations</b>	<b>College of Medicine</b>	<b>Pennsylvania College of Technology</b>	<b>Total University</b>
General Funds	\$ 1,859,446,000	\$ 119,803,000	\$ 109,584,000	\$ 2,088,833,000
Agricultural Federal Funds	21,838,000			21,838,000
Restricted Funds	534,975,000	90,000,000	16,000,000	640,975,000
Auxiliary Enterprises <sup>a</sup>	374,940,000	3,892,000	27,344,000	406,176,000
<b>Total</b>	<b>\$ 2,791,199,000</b>	<b>\$ 213,695,000</b>	<b>\$ 152,928,000</b>	<b>\$ 3,157,822,000</b>
Milton S. Hershey Medical Center				1,487,979,000
<b>Total Funds</b>				<b>\$ 4,645,801,000</b>

<sup>a</sup> Includes increase in room and board charges as approved by the Board of Trustees, March 20, 2015.

4. RESOLVED, That the Officers of the University are authorized to employ Mead & Hunt of Middleton, Wisconsin to design the Infrastructure and Site Improvements at University Park Airport.

FURTHER BE IT RESOLVED, That the Officers of the University are authorized to employ Mead & Hunt of Middleton, Wisconsin, to design future infrastructure and site improvement projects at University Park Airport.

FURTHER BE IT RESOLVED, That the final plans for the current Airport Infrastructure and Site Improvements at University Park, as designed by Mead & Hunt, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to construct this project is approved at a cost of \$10,700,000.



5. RESOLVED, That the Board of Trustees approves the acquisition of the Technology Center condominiums at Innovation Park, comprised of 24,171 square feet of space plus associated common space, from the Chamber of Business and Industry of Centre County for \$2,565,424.

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

6. RESOLVED, That the Board of Trustees approves the purchase of property containing 26.5 acres located along Science Park Road, State College, Ferguson Township, Pennsylvania, from Raytheon in the amount of \$2,100,000.

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

7. RESOLVED, That the Board of Trustees approves the University entering into a lease with an option to buy agreement with the Altoona & Blair County Development Corporation for the basement, second and third floors of the Penn Building at an initial cost of \$5,695,000, which includes the purchase, fees and renovations of the space.

FURTHER BE IT RESOLVED, That the Officers of the University are authorized and directed to take such steps to make effective these resolutions.

A motion to approve the foregoing resolutions as recommended by the Committee on Finance, Business and Capital Planning was made and seconded and approved by the Board.

**E. Committee on Governance and Long-Range Planning**

Chairman Keith Eckel reported that the Committee on Governance and Long-Range Planning met Thursday, May 7, with a quorum of the Committee present.

The Committee considered three action items: proposed appointments of members to the Board of Directors for the Penn State Milton S. Hershey Medical Center; the proposed election of the Student Trustee; and the proposed election of the Academic Trustee.

The Committee on Governance and Long-Range Planning recommended that the Board of Trustees approve the following resolution:

1. 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, 2018:

Kathleen L. Casey  
Edward P. Junker, III  
Barry K. Robinson

A motion to approve the foregoing resolution as recommended by Committee on Governance and Long-Range Planning was made and seconded and approved by the Board.

The Committee on Governance and Long-Range Planning recommended that the Board appoint Luke Metaxas for a two-year term as Student Trustee beginning July 1, 2015. The Board unanimously approved the recommendation.

The Committee on Governance and Long-Range Planning recommended that the Board appoint David Han for a three-year term as Academic Trustee beginning July 1, 2015. The Board unanimously approved the recommendation.

Chair Eckel also reported that Trustee Barbara Doran led a discussion on the concept of a nominating committee; it is anticipated that the conversation will continue during future meetings. Discussion about emeriti membership on the Board continued and it is anticipated that modifications may be proposed for Board consideration at an upcoming meeting. Finally, Chair Eckel reported that the Committee continued its conversation on board assessment efforts, and plans to determine next steps at an upcoming meeting.

**F. Committee on Legal and Compliance**

Ken Frazier, Chairman of the Committee on Legal and Compliance, reported that the Committee met on Thursday, May 7, with a quorum of the Committee present. Vice Chair Rick Dandrea chaired the meeting.

The Committee received informational reports from Regis Becker, Director of Ethics and Compliance, who updated the Committee on the University's work in developing and promoting a formal set of Penn State Values; and from Julie Del Giorno, the Athletics Integrity Officer, who provided an update on the Athletics Integrity Agreement. Associate General Counsels, Katherine Allen and Allison Newhart discussed their practice at Penn State which includes issues related to faculty, students, employment, and certain constitutional and compliance matters.

The Committee received a legal update in privileged executive session.

There were no action items presented to the Board.

**G. Committee on Outreach, Development and Community Relations**

Paul Silvis, Chairman of the Committee on Outreach, Development and Community Relations, reported that the Committee met Thursday, May 7, with a quorum of the Committee present.

The Committee received a report from Strategic Communications which focused on key communications updates and the Penn State Graphic Identity System. Students Megan Renaut, THON 2015 Executive Director, and Katie Mailey, THON Executive Director for 2016, shared a presentation on student fundraising. Michael DiRaimo, Vice President for Governmental Affairs, and Zack Moore, Assistant Vice President for Governmental Affairs, provided an overview of state government relations activities, and an update of the status of budget negotiations in the General Assembly.

The Committee received an update from Kay Salvino, President of the Penn State Alumni Association Penn State Alumni Association, which included the election of its new Vice President, Steve Wagman; Kevin Steele, current Vice President, will serve as President. Their two-year terms of office begin July 1, 2015.

Finally, Rod Kirsch, Senior Vice President for Development and Alumni Relations, presented an information focusing on the impact of the University's past three capital campaigns, and a tentative timeline for the next University campaign.

There were no action items presented to the Board.

### **Informational Report on the University Faculty Senate**

A report of the year's activities of the Faculty Senate was provided by Senate Chair, Jonna Kulikowich.

### **Report on the Election of Trustees by Alumni**

Chairman Masser called on Trustee William Oldsey for a report on the tabulation of ballots for the Election of Trustees by Alumni, which concluded at 9:00 a.m. (EST) on May 7.

Trustee Oldsey reported that he and Trustee Alice Pope, served as Trustee Tellers for the election and were present for the counting of ballots, which was audited by KPMG. His remarks are included as follows:

"Thank you Chairman.

"Three individuals met the threshold of receiving 250 nominations and expressed the desire to serve Penn State as alumni elected Trustees, and met the criteria for election. 16,868 ballots were received. I will read the total number of votes for the three candidates receiving the highest number of votes.

"Trustee Anthony Lubrano, 14,795.

"Trustee Ryan McCombie, 14,779.

"Mr. Rob Tribeck, 14,502.

"These three individuals have been elected by the alumni of the Pennsylvania State University to serve for a three-year term beginning this July 1, 2015. Anthony, Ryan, congratulations on your resounding re-election. Rob, who I believe is here with us today; Rob, I'm sure I speak for all of my colleagues on the Board in congratulating you. We look forward to welcoming you officially at the July meeting."

A motion to accept the report of the results of the election of Alumni Trustees was made and seconded and approved by the Board.

### **Report on the Election of Trustees by Agricultural Delegates**

Chairman Masser called on Trustee M. Abraham Harpster for a report on the election of Trustees by delegates from agricultural societies, which was held on May 7.

Trustee Harpster's report is included as follows:

"Thank you, Chairman Masser. Yesterday was the election of Trustees by the agricultural delegates. There were two candidates indicating their willingness to serve and were appropriately nominated. They were Don Cotner and Chris Hoffman.

"Following the submission of ballots by duly authorized representatives, Don Cotner and Chris Hoffman were elected by the agricultural delegates to serve three-year terms beginning July 1, 2015."

A motion to accept the report of the results of the election of Agricultural Trustees was made and seconded and approved by the Board.

### **Election of Trustees Representing Business and Industry Endeavors**

The Board of Trustees received the recommendation from the Selection Group on Business and Industry Trustees providing for the election of the following as members of the Board of Trustees representing business and industry endeavors for a three-year term beginning July 1, 2015:

Robert E. Fenza  
Mary Lee Schneider

A motion to accept the report of the results of the election of Business and Industry Trustees was made and seconded and approved by the Board.

### **Election of At-Large Trustees**

The Board of Trustees received the recommendation from the Selection Group on Board Membership for At-Large Trustees, providing for the election of the following as members of the Board of Trustees for three-year, staggered terms beginning July 1, 2015. Hereafter, one At-Large Trustee will be elected annually:

Kathleen L. Casey, one-year term, expiring June 30, 2016  
Matthew W. Schuyler, two-year term, expiring June 30, 2017  
Julie Anna Potts, three-year term, expiring June 30, 2018

Trustee Lubrano abstained from accepting the report, asking that his preference be reflected in the meeting record; Chairman Masser requested a roll-call vote.

A motion to accept the report of the results of the election of At-Large Trustees was made and seconded and approved by the Board, with 16 Trustees voting in favor of the motion (Trustees Benson; Cotner; Dambly; Dandrea; Eckel; Goldstein; Harpster; Hintz; Huber; Lubert; Masser; Mead; Rakowich; Rucci; Shaffer; and Silvis), and 0 Trustees voting against the motion. Eleven Trustees (Trustees Brown; Casey; Doran; Jubelirer; Lord; Lubrano; McCombie; Oldsey; Pope; Redding; and Rivera) abstained from voting on the motion.

### **Announcements by the Chairman of the Board of Trustees**

Chair Masser congratulated those appointed to the Board, and thanked outgoing Trustees Hintz, Frazier, Shaffer, and Taliaferro for their service to the Board and the University.

Chair Masser called for other matters to come before the Board. There being none, the meeting was adjourned at 3:00 p.m.

The meeting is available in its entirety at <https://www.youtube.com/watch?v=2d4kt438MAs>

Respectfully submitted,

Janine S. Andrews  
Associate Secretary,  
Board of Trustees

## Remarks from President Eric J. Barron

### Meeting of the Penn State Board of Trustees, University Park, PA

May 8, 2015

"Thank you. I'm in about four days from being in this position for one year. So I thought that it might be appropriate to do some reflections on my first year. The very first job was really to get to know Penn State, not to assume that because I was here for 20 years and a Dean that I understood the institution. So during the last year I visited all Commonwealth Campuses I did two presentations, one for external constituencies and one for internal, and a Q&A opened to any question on any topic at every campus, and I ended up at every single campus. I did 12 out-of-town alumni receptions with presentations about the future of the institution and opened it up for Q&A on any topic, reaching more than 2500 alumni in that process. Seventy-six personal meetings with individual donors, 8 corporate and foundation visits, 11 out-of-town donor cultivation events, which were on the order of 30 to 50 individuals, reaching some 483, 11 donor cultivation events in State college reaching more than 2500, 17 staff, faculty and community events, many of them involving alumni reaching 1,245. Nineteen different non-football President's boxes, it would just be a giant number if I added up everybody that ended up in the President's box for a football game, so these were non-football, hockey, basketball, reaching 500. Multiple legislative visits at the federal and state level with personal meetings with many leaders. I have taken on the role with Molly of going after our tailgate and go tailgate hopping around the football stadium, talking to people, randomly driving up, chatting, asking how they were doing, seeing what they were thinking about the University.

"I moved into a mode of greater interaction with the students including two student Town Halls at their request, but hosted all sorts of events with students at our house, elsewhere, the leadership group, media group, and also classroom as well as teaching a class myself this spring.

"The bottom line of all this, is this was incredibly positive for me, incredibly uplifting in many ways and what I saw over and over again was a hunger for the good news about Penn State. Our alumni are used to good news, they are used to being able to brag and talk about great things ant this institution and they wanted to hear more and they wanted to hear more. Also in this process of the first year, we had two external evaluators who have signaled our excellence as an institution. And this is a reminder about what the excellence of Penn State is all about. So, I would like to go through some of the things that they saw and that I have seen that signaled the excellence of our institution. So I put these as signs of excellence so we can go through them. Some of them are in a brag sheet for the month that we continue to put out so you can have a record of something.

"So, last year we had a record set of applications at this institution. 126,450 people tried to come in the door. That is an all-time record; that is a statement about how people feel about Penn State and the institution they want to come to. We have already beaten that record, and it's a healthy increase. With that large number of students trying to get in the door we also see that the quality is going up. So we can look at this in a couple of ways. This is undergraduate admissions. With the exception of one year you see a steady increase with the projection of 87,300 undergraduates that will end up being our application pool. An enormous number, and an all-time record by a significant percentage. If we look at total University applications, what we have and what we project with the Commonwealth Campuses still being open, we see that basically we will hit perhaps 131,700 applicants wanting to come into this institution. Again, an all-time record. The brand of this institution in terms of higher education, is extraordinarily strong. But what I like is the undergraduates hit a record; the law school is increasing; the graduate school is increasing. Hershey medical school is increasing. Penn State is increasing in many of its facets.

"We also see that student selectivity is improving; as you have a large applicant pool and people recognize the quality of this institution, more and more high quality students want to come in the door,

and so you can go back to 2005 and see that you were accepting on undergraduate level, 58% of applicants, now down to 46% for 2015. We also see this is true for graduate students. Now, if you apply to come here to get a Ph.D., only one in five of those applications is admitted. So, our graduate school, looking at our doctoral programs, is increasingly selective.

“The SAT profile of the students coming in the door is also increasing. You can look at 2013, '14 and '15 there, look at the mean in terms of SAT scores; and what you see is a 20 point step in a single year. This is, in our business, a huge increase in quality for just one year. So, again, the statement here that you have is that record applications, record quality, demand, high demand for our brand is coupled with a consistently high-ranking as a place to recruit. A record number of companies are coming here to recruit these students. They know they are good. They know they have an education that leads them to be an excellent employee. The students are coming here to an institution that's ranked in the top 1% of all institutions in the world. The value proposition for Penn State is extraordinarily strong. And it is perhaps worthwhile to back up the numbers that I just said about recruiting, to back up those numbers on recruiting with a look at what happened at student career fairs. What we see is 14,000 students. More than 14,000 students participated in career fairs this year. 9,489 students were interviewed in these programs. And we had 1,549 employers who came here to find individuals for which they could hire and have join their companies. One of my most enjoyable moments was when a major company came into my office and we had a great discussion, and they said as many of the big companies are doing these days, we have narrowed our search for individuals just to a few universities where we know the output of those universities, the student quality, the degree to which they are hungry, is evident. We have narrowed our search. We want you to know that Penn State is now on our very short list. There will be three universities, six universities. And this major company said we have one problem with Penn State; you need to help us get a yield on the students we make the offer for, because other companies are after them too. When we make an offer at Penn State we want that student to accept that offer. That is a remarkable statement when the VP's are coming in to your door and they're not telling you about, you know, you need to do something about the education of the students. Instead they're saying 'when we make an offer, we want them to come to our company.

“Another sign of the excellence of Penn State, powerful sign, is our faculty and the power of our research programs. Four years of research expenditures over \$800 million. This year, being ranked 17th among all universities. I may have said this to you before. But we passed University of Pennsylvania. I am going to use this joke twice: I hear they are a pretty good university. They are now behind us in total research funding. But in this climate of tough dollars to find, the thing that astounds me the very most is that our faculty grants and contracts are up 18.5% this year. That is an extraordinary testament to the capability of our faculty to convince people to give them money to support their research. What you are seeing is if you are down here and you're a little less competitive, your ability to attract research dollars is in decline. If you are up here and you're of high quality, you are still bringing in those large and many grants, into the State of Pennsylvania and having significant economic impact. To give you a sense of that, we can compare here, on the left, the Federal R & D funding since 2004, and clearly you can see that we reached a peak in 2009, and then were on our way down. It leveled out a little bit. On the opposite side is Penn State research expenditures that have occurred, that 800 million plus number. And in the same color as the federal R & D you see what is happening with the federal R & D funding and expenditures at Penn State University. No doubt we have been affected by the recession. Equally no doubt, the Penn State curve does not look like the federal funding curve, and that's because we have faculty that are hungry, they are eager, and they're working hard.

“Another area of excellence is technology and curriculum delivery. Here, we have the great accomplishment of knowing that our world campus was ranked number one of all universities, in the country, in the delivery of online baccalaureate degrees. Many people in this room believe that online delivery is the future for higher education. It's pretty good to have that future and be this be this institution, the one at the top of the heap. But it is interesting also to know that as we expand our efforts into graduate programs, we have five graduate programs now ranked in the top ten nationally.

And here, the universities that you are competing against, get quite a bit tougher. There is a reason for this: Our colleges and faculty are in control of the delivery of the quality. We are marrying the technology with the people who understand the curriculum well. And it yields a remarkable success beyond the ranking. Today, the growth of online programs in this country is struggling. The number is very close to 0% growth as people question whether or not they have a high quality delivery. Not true for Penn State. Our growth: 16%. And we have been in double digit growth for a considerable period of time. Our issue will be to imagine a Penn State with 45,000 full-time students online. Not whether or not our programs are of a quality that allow students to say: If I go to the world campus, I get a Penn State degree with Penn State quality. And of course, it's also having tremendous impact on scheduling flexibility, blended classrooms, flipped classrooms, and our residential settings and creating a host of lifelong learners.

"There are many signs of the excellence of our faculty beyond the notion of what our research expenditures are like. We can look at the fact that we now have 43 members of National Academies of Science, Engineering, and Medicine; and the National Academy of Arts and Sciences. On your screen are two new individuals to these clubs; Thomas Mallouk and Nina Jablonski, who have joined in this year. These are honors that are the highest in their professions, given to you by your peers. You know, we could make quite a list here, and go on and on, but there are many different ways to look at it. So examine Fulbright Awards for faculty, which is a signal that other institutions around the world would like you to come and be in their institution. And your institution has ranked in the top 20. We can look at the same thing with our students. Gates Cambridge Scholarship, Marshall Scholarship, International Peace Prize Award, 13 Student Fulbrights, Doris Duke Prize. This is an incredible list. Many of you may like to be able to brag about the athletes. A record 500 student athletes earned at least a 3.0 GPA in fall 2014. We have a record number of BIG 10 academic honors coming out of the winter semester. A graduation success rate of 89% for our student-athletes compared to 82% for Division I institutions. And, not just excellence in the classroom but in the field. We just achieved our highest ever ranking coming out of fall sports, in the Learfield Director's Cup, ranking us number two, which tells you the success of our programs. So, here are many different sides of excellence.

"Our faculty, our students compete at the highest level. There is no recognition out there, no award out there that our faculty can't compete for and receive. There is no award out there, there is no recognition out there, no matter how prestigious, that our students can't compete for and receive. And again, this all comes back to the fact that we deliver an education in the top 1% of the world.

"We can look at excellence and signs of excellence in terms of the philanthropy at this institution. In the campaign that was concluded just about one year ago, 176,000 alumni wrote checks or made pledges, giving a total of \$921 million to the institution. We know of no institution out there in the world that has that many alumni that have given back to an institution. And it's not just our alumni giving back. Our faculty and staff gave this institution, out of their paycheck, \$61 million. I will tell you, you want a sign of excellence, it is when the faculty give back to the institution because they care about what is going on and want to see success. When your faculty are giving back to the institution you know you have programs that are remarkable. And of course we have had significant growth in our endowments. And there is just a quick picture of the evolution of capital campaigns, what the dollar amounts were. And you see something rather dramatic that every president is paying attention to. Campaigns are getting longer and the time between campaigns is getting shorter. So, let's get to work there. And a fast fact here to make you feel really good about that campaign: 91,000 scholarships for our students, a huge contribution to our objectives in access and affordability.

"We also have a continued focus on financial security. With our core council reviewing program after program, identifying \$305 million in cuts they can make to programs outside of much of the recycling and reprogramming that we have been looking at. We also have an incredibly well established assessment and planning process for our facilities and IT programs; something that helps ensure that this institution is incredibly efficient. Part of the reason why I mentioned each one of those topics is because the external reviewers mentioned these topics and I view these external reviewers as an independent

assessment. Not your President standing up here bragging about an institution that I love more and more every day that I am standing here, but in fact individuals that come in from the outside and do an assessment and come back and make statements about your university. We have two that have occurred just recently. One is our Moody's credit rating. The other is Middle States accreditation. In terms of financial security, on April 23, Moody's Investor Services gave Penn State an AA 2 rating, citing, among other things, significantly strengthened governance and management practices. They view the diversity of this Board to be an incredible strength and it gives them assurance that this institution won't be hijacked in one particular direction or another. They cited liquidity and strong operations and cash flow. They cited the remarkable fundraising that occurred in this institution even at a time of economic distress for this country and some emotional distress in the institution. They cited the strong, national, student demand for coming in to a powerful research university. Each of these elements suggested to Moody's that this was an institution that was well managed and extraordinarily robust in terms of its finances. It is interesting because they expected it to be different; and realized that, no, this is an institution that financially is strong. And the bonds we issued sold in a remarkably short amount of time, and also a great statement that is there. So, a very strong statement about the institution and its strength. You know, there are many, many institutions, even in this state that are struggling to find applicants. This is not an institution struggling to find applicants. Students realize the value proposition of a Penn State degree and knowing that year after year, the number of people trying to get in the door is growing tells Moody's that the financial model for the institution is strong.

"The next external opinion coming from Middle States accreditors; the visiting team arrived here, they issued their report, which said that Penn State...now, I should tell you this process: Visiting team comes in, they review, give us an oral presentation, go back, write it, submit it to us. They ask for us to correct factual errors, we correct them, send it back, short amount of time. Then they say okay here's the final report. They give it to us, and to the Commission. We are allowed to write our reaction to any parts of the report and things that we might do. Our reactions plus the report go to the Commission. So, our report is on the way to the commission for their final ruling. But, what did the visiting team say? Penn State meets all ten requirements for accreditation. This is very important because you can't have federal financial aid for students unless you're accredited. We don't hand out research dollars to institutions that are not accredited. But the other thing that was remarkable to me: They had 14 commendations for this institution. They said, literally, we thought we would come in and we would find a Penn State struggling as a consequence of events and a consequence of the recession. We found the opposite. We found an institution worthy of commendation. They gave us 14. Fourteen where they said we were above and beyond. They told us we were above and beyond in the degree to which we were living the land grant mission and supporting the state of Pennsylvania. Like many other states we take this land grant seriously. They cited the outstanding quality of our faculty, programs, and their rank. They cited again improved governance that allows the institution to have security; that no one would sit there trying to put their thumb down on the academic freedom of this institution. They cited our financial security. They cited our leadership in ethics and compliance and in fact made the statement that many institutions talk about integrity but Penn State lives integrity. These are two incredibly important external evaluators of this institution. Both of them extraordinarily positive in terms of how Penn State University is performing. And they said in both cases: You exceeded the expectations that we had. And if they didn't say: You exceeded the expectations; the individual reviewer said it wasn't just just exceeding, it didn't match what our expectations were. And of course all of you know partly because of when I have stood up here before I have told you what is ahead for the institution; what are things we want to invest in? You know that even though we can stop and brag and talk about the signs of excellence, that we have many opportunities ahead of us.

"Those opportunities are an emphasis on making a great university truly greater. We have two major priorities for this year that we are completely and totally dedicated in delivering on, access and affordability is one of those, launching six different pilot programs to drive down the total time to a degree, the total cost of a degree and drive down student debt and making sure that the class of students, needs based students, that are taking longer to graduating or not graduating at all, are the ones who are



successful. We focus on economic development, job creation and student career success, launching more than a dozen different initiatives that change the culture inside the institution, make our intellectual property more visible, creating an ecosystem around us that has individuals wanting to build companies in Pennsylvania. And we are doing this across the Commonwealth. We are working on student engagement because we know of the impact that has on student success. In fact, if you look at a recent Gallup poll on education, it shows you that student engagement actually changes your attitude about your quality of life and financial security with students that are more engaged basically signaling that they are happier in their life and happier in their financial security. And of course you are seeing through the Provost a tremendous effort in strategic planning that is focused on future excellence across the board. A lot of this, access and affordability, and economic development, job creation and student career success, which is embodied now in *Invent Penn State* are examples of our expanded commitment to the Commonwealth, and expanded commitment to our land grant mission. And I can tell you if I take *Invent Penn State* as an example in which the signing of MOU brought 300 people into this room for lunch so they could see a greater partnership between this campus and State College, or if you look add the six campuses, receiving funds to create something in partnership with their community, you realize what some of the level of enthusiasm this really is. But nothing beats that level of enthusiasm than looking at what our students have accomplished. So, one of the things that we have is an IST, information science and technology Idea Maker Challenge. I had the pleasure of handing out a lot of the awards and listening to what was happening with our students in the companies they are creating. They had faculty advisers Lee Erickson and Liz Kisenwether. I know I am not good at names. Some day before I go, I will be in trouble, but would the two of you stand up who are the advisers. Stay standing please while I introduce the student. Okay. So now I am going to introduce a company that got an award. If there are students here from that company, if you would please stand too and just stay standing, then we can applaud them at the end.

“I’m going to introduce a company that got an award and if there are students here, if you would please stand too. And just stay standing and we can applaud them at the end. For instance, Mobium Solutions, this is an automated 3D printing solution. They printed a bowtie for me which I wore when I addressed the Council of Student Governments. I got more compliments about your tie than any other I’ve worn in the last year. We wish you great success. Gastrograph, is a flavor profiling quality control company for the Kraft beverage industry. Undeniably Fit, is a fitness and wellness capability for individuals that have diabetes to help them manage their disease more effectively. Project Vive, this is a company that works on assistive speech device for kids with non-verbal cerebral palsy and other related disorders that chooses from a set of words and allows you to vocalize them. BioStrap is a wireless muscle response device. Sounds interesting. But here’s the idea: If you are a stroke patient, you can become very frustrated about your progress and whether you are making progress. So, this device is designed so that a stroke patient sees in a tangible way the progress they are making from recovery from a stroke by sensing and having a clear understanding of how it is that your muscles are relearning to respond. I don’t know whether Resume Ruby is in the house Resume Ruby. This company was started because individuals said how much money do I have to give you to help me with a resume before I go off on a job? He realized there was nothing out there for people to create a lot of strong resumes without a lot of pasting. So he launched Resume Ruby as a way for students to be easily able to create resumes. My suspicion, from what I have seen is that many, many people in the job market are going to turn to his company. These are the ideas that came out of one IST challenge. The students are from all over the campus. They are exciting ideas. What is our objective? Our objective is for them to be successful, no matter where in the world they go, but wouldn’t it you be nice if they built their companies right here in the state of Pennsylvania. Give them a hand, please.

“That really is a great set of topics. You know, I have taken each and every time that I have had a chance to address and I have talked about something that was strategic that we wanted to accomplish and that issues that we see that we need to work on. And I thought: No, one year, I need you to see what I see about this University. As someone who came here, someone who loved it, someone who was

gone for almost a decade and who has come back to take a look at what Penn State is all about. And what I see is a tremendous success story.

“The number of applications, the amount of research dollars, the rankings that you see, our wonderful world campus, the results of the capital campaign. The number of volunteers that pledged or wrote checks. The number of volunteers you may be interested to know; we did a quick count of how many volunteers we have on this campus: 17,000 active volunteers among our colleges and campuses. It is an incredible number and a statement about the love for Penn State University. And, add to that, the financial stability of this institution. The academic excellence in delivering an education in the top 1% of the world. The launch of new ideas.

“So, this is the Penn State that I see.

“It’s remarkably strong and growing stronger. We have new initiatives that have the potential to take us even further. We have a significant challenge, in my opinion, for the world to see Penn State the way it truly is. Because these aren’t the types of things that you will get to read very often. Instead, you have to come and listen to me talk about them. But I am willing to do that and as you see from the first set of slides, I am willing to do it in any city, anyplace, in this country and elsewhere so people realize just how great this institution is. So, thank you for allowing me to be your President for the last year. It’s been a fascinating experience and I hope you see this institution the way I do. Thank you very much. I am happy to answer questions if you have time, Mr. Chairman.”

# Reflections on First Year as Penn State President

MAY 8, 2015

PENNSSTATE



OFFICE OF THE PRESIDENT

# First Job: Getting to know Penn State

- Visited all Commonwealth campuses, including presentations and Q&A sessions
- 12 out-of-town alumni receptions, with presentations and Q&A (2500+)
- 76 personal meetings with individual donors
- 8 corporate and foundation visits
- 11 out-of-town donor cultivation events (483)
- 11 donor cultivation events in State College (2519)

# First Job: Getting to know Penn State

- 17 staff/faculty/community events (1245)
- 19 non-football President's box events (498)
- Multiple legislative visits (federal and state delegations; personal meetings with leaders)
- Tailgate stop and chat
- 2 student town halls; hosted numerous student events (leadership, media, student groups) and classroom visits

# First Job: Getting to know Penn State

- Bottom line: Very positive interactions (uplifting)—but hungry for all of the good news about Penn State
- And, external evaluators have signaled our excellence—a reminder about what Penn State excellence is all about

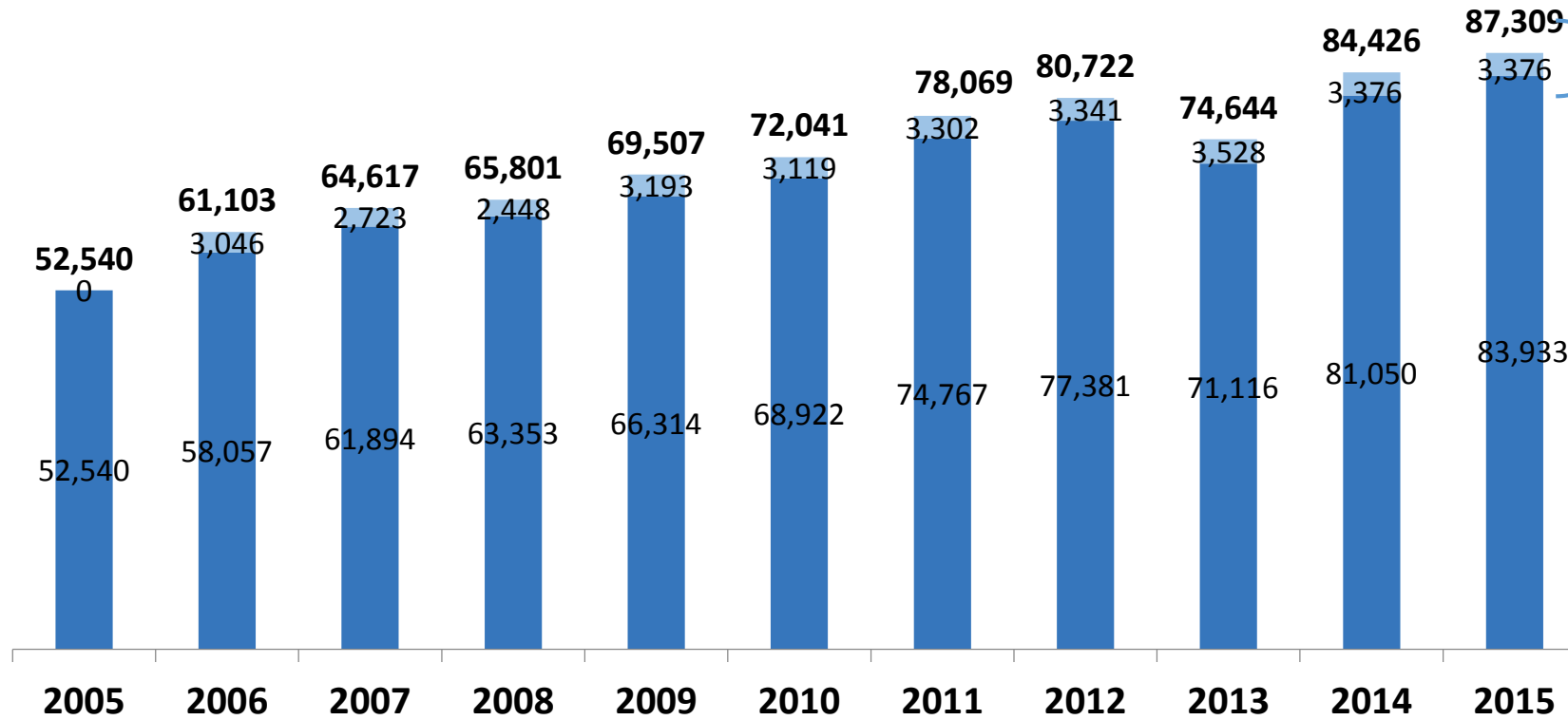
# SIGNS OF EXCELLENCE

# Record Applications & Record Quality

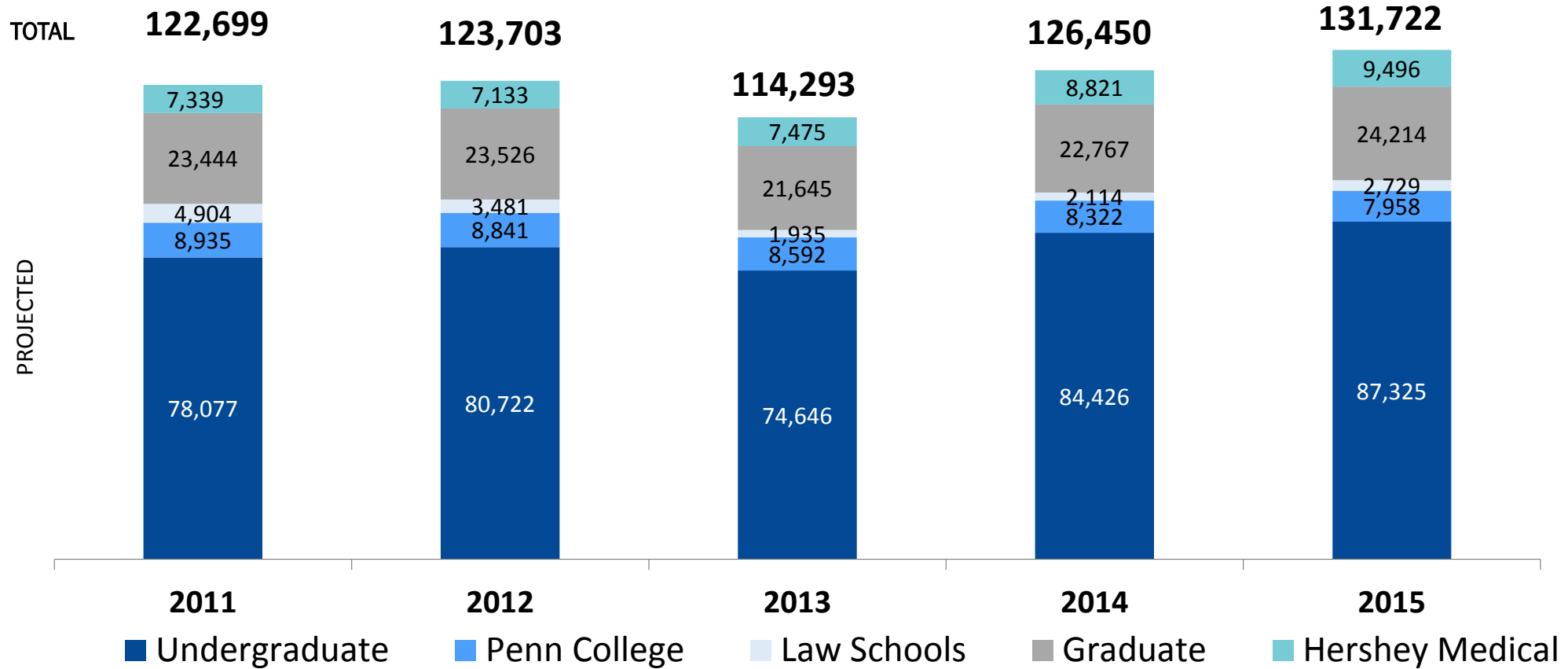
- Last year set a record for applications (126,450) but this year we have already beaten that record
- With record applications, selectivity and student quality are increasing



# Undergraduate Application for Admissions 2005-2015



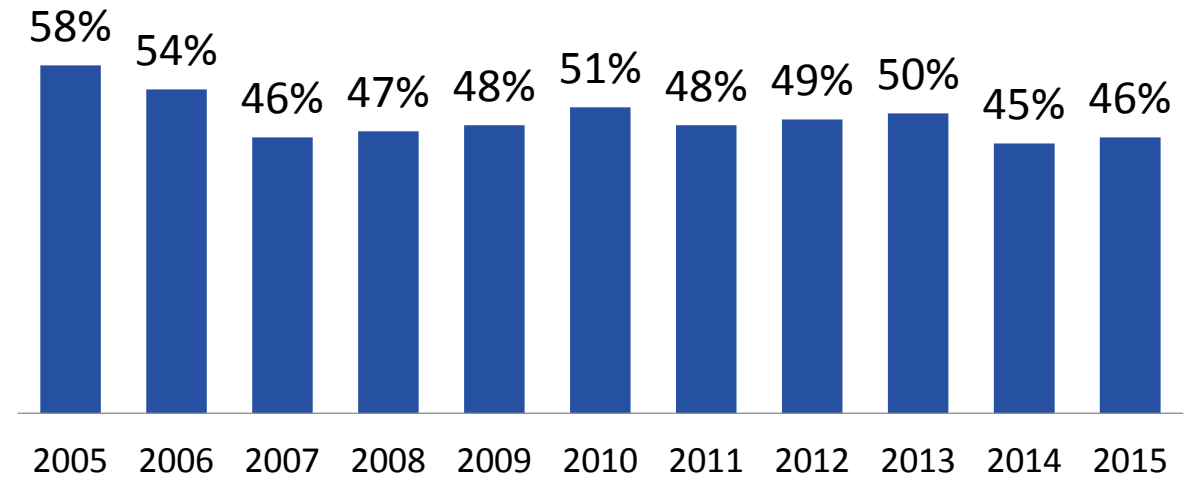
# Total University Application 2011-2015



# Student Selectivity on Rise

- Selectivity for UP undergraduates is now at 46%, compared to 58% in 2005.
- Selectivity for doctoral candidates is also up 19%.

University Park Selectivity  
2005-2015



# University Park & Commonwealth Campuses

## Summer/Fall Freshman Baccalaureate Applicant Pool Profile SAT

Application Year	Lower Quartile	Mean	Upper Quartile
2013	1490	1675	1870
2014	1510	1694	1893
2015	1530	1714	1910

# Record Applications & Record Quality *SUMMARY*

1. Demand is coupled with consistently high ranking as a place to recruit
2. Record number of companies recruiting
3. Education—top 1% of world
4. **Strong value proposition**



# On Campus Recruiting Statistics 2014-2015

## *PENN STATE CAREER SERVICES*

**Total Student Participation in Career Fairs: 14,435**

**Total Number of Student Interviews: 9,489**

- 4,714 interviews in the ongoing on-campus interviewing program
- 4,775 interviews at career fair events

**Total Employer Participation: 1,549**

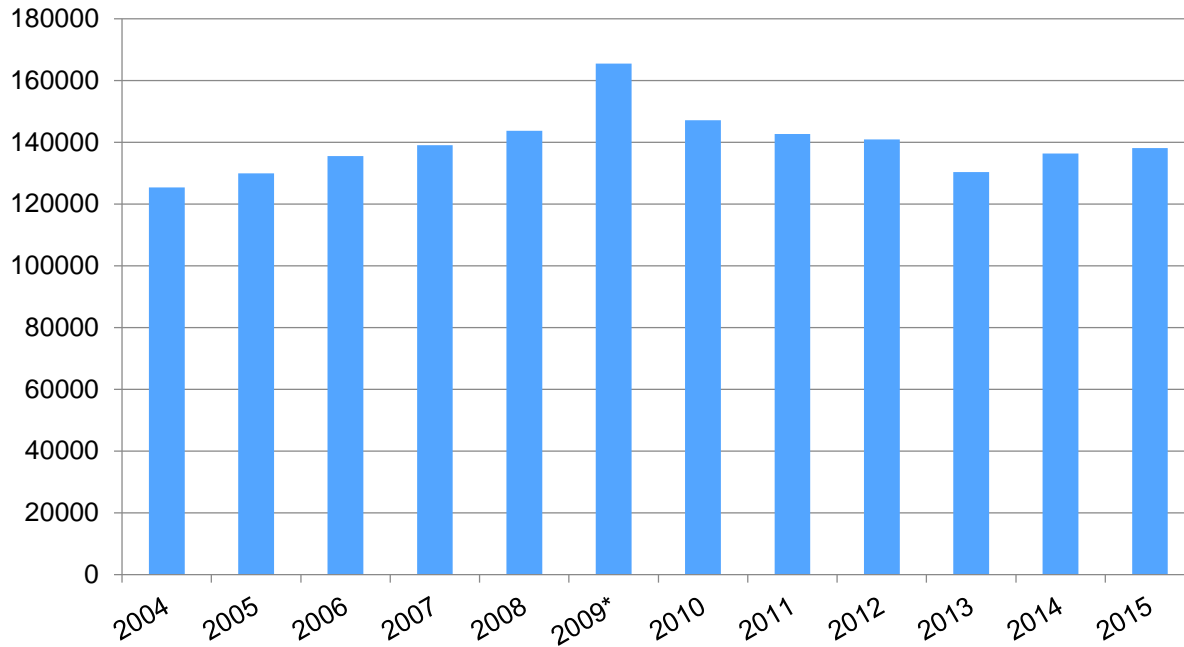
- 277 employers participating in the ongoing on-campus interviewing program
- 1,272 employers at career fair events

# Powerful Research Program: Faculty Experience

- 4 years of research expenditures of over \$800 million—ranked 17<sup>th</sup> among all universities
- Penn State grants and contracts are up 18.5% over last year.

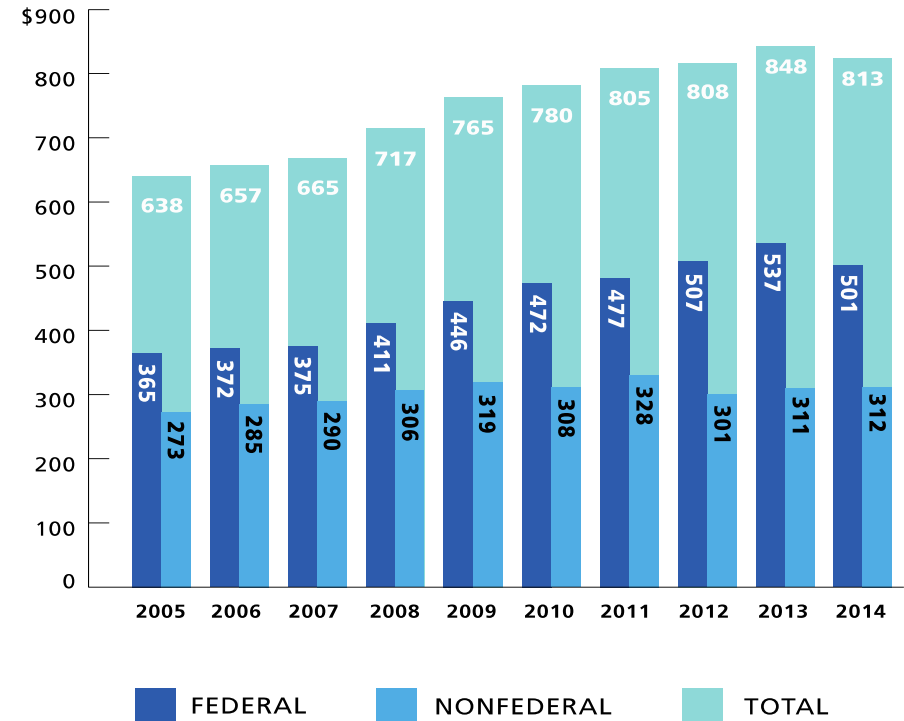
# Growth in external funding despite downturn

## Federal R&D Funding Across All Agencies (in millions)



Source: White House Office of Science & Technology Policy

## Penn State Research Expenditures (in millions)





# Technology and Curriculum Delivery

- World Campus ranked **No. 1** of all universities in the delivery of online baccalaureate degrees
- 5 graduate programs ranked in the **top 10** nationally
- Quality of delivery – driven by colleges and faculty
- Growth rate of online programs nationally close to 0%
- Growth rate of online programs at PSU at 16%
- Scheduling flexibility, blended classrooms, flipped classrooms in residential setting
- Impact on life-long learning

# Many Signs of Academic Excellence *FACULTY*

**Faculty: 6,192 full-time and 2,784 part-time all locations**

- **43** members, National Academies of Sciences, Engineering, and Medicine; and the American Academy of Arts and Sciences; Thomas Mallouk newest National Academy of Sciences member (chemistry); Nina Jablonski newest American Academy of Arts and Science member (anthropology)
- Ranked in Top **20** Doctoral/Research Institutions for receiving Fulbright Awards

# Many Signs of Academic Excellence *STUDENTS*

## Students: 98,000, all locations

- 2014-15 Honors include: Gates Cambridge Scholarship, Marshall Scholarship, International Children's Peace Prize Award
- **13** Student Fulbright Awards
- Doris Duke Fellowship for the Promotion of Child Well-Being

## Many Signs of Academic Excellence *ATHLETICS*

- A record **500** student-athletes earned at least a 3.0 GPA during the fall 2014 semester;
- Record number with BIG10 honors
- Penn State Graduation Success Rate 89% compared to 82% for Division I Institutions
- The Nittany Lions are **No. 2** in the final winter rankings—highest ranking post winter sports

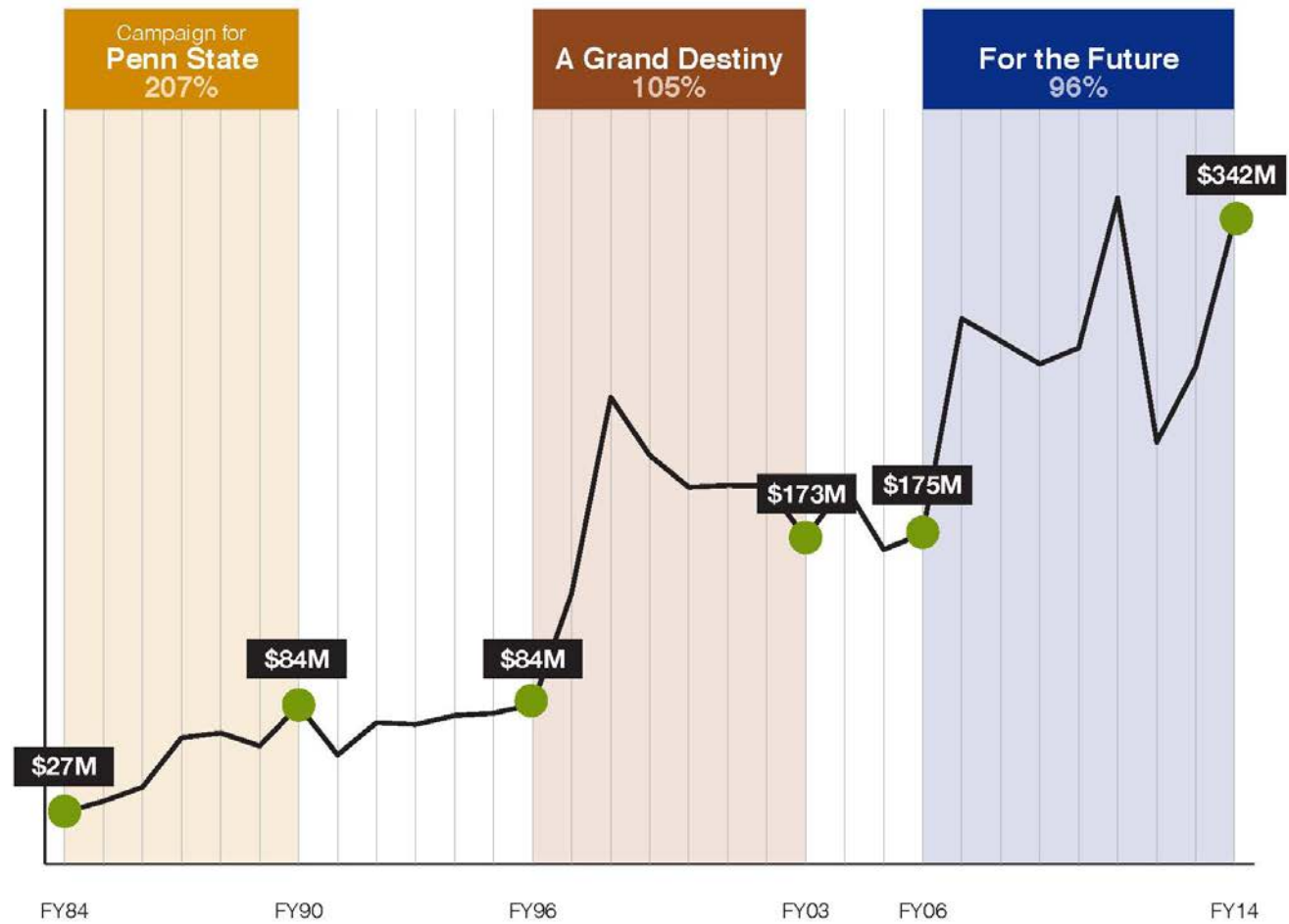
# Conclusion: Many Signs of Academic Excellence

- Faculty and students at Penn State compete at the highest level and achieve the highest level of recognition available
- Again, education - top 1% of world

# Philanthropy

- **#1:** Penn State has the most alumni donors to any university campaign in history—over 176,000—donating 921 million dollars
- Penn State faculty and staff have given over \$61 million University-wide to *For the Future* campaign.
- Increase in endowment from \$1.47 billion to \$2.29 billion since 2010.

# Commitment Growth Over Three Campaigns





**Penn State FastFact**

**91,000**

**scholarships and awards  
were created through the  
“For the Future Campaign”**

Image: Pat Mansell



# Continued Focus on Financial Security

- Core Council Review will save an estimated \$305 million over 10 years
- Well established assessment and planning processes for facilities and IT

# INDEPENDENT VIEWS

# External Opinions Build on the Level of Excellence

- Moody's Credit Rating
- Middle States Accreditation



## External Opinion—Financial Security *MOODY'S*

- On April 23, Moody's Investor Services gave Penn State an Aa2 rating, citing:
  - “significantly strengthened governance and management practices.”
  - Liquidity, strong operations and cash flow
  - Fundraising
  - Strong national student demand for a leading research university

## External Opinion—Academic Security *MIDDLE STATES*

- Visiting team for Middle States Commission on Higher Education—Penn State meets all 10 requirements.
- Plus, the team noted **14 institutional strengths worthy of commendation** (expected something much different)
  - Living land-grant mission
  - Outstanding quality of faculty and programs
  - Improved governance
  - Financial security
  - Leadership in ethics and compliance

# External Opinion

- Powerful message on how Penn State is performing
- Exceeded expectations (didn't match expectations)

# OPPORTUNITIES AHEAD

# Emphasis on making a great University even greater

- Access and Affordability
- Economic Development, Job Creation and Student Career Success
- Student Engagement
- Strategic planning process for future excellence



# Example: Expanded Commitment to Land Grant Mission

- Invent Penn State
- Widespread enthusiasm/support for entrepreneurship



# Creating a Culture of Entrepreneurship

- IST IdeaMaker Challenge
- Penn State Summer Founders Program
- A few examples of Penn State student entrepreneurs

*Mobium Solutions*

*ResumeRudy*

*Gastrograph*

*Undeniably Fit*

# Great success story

*Applications, research dollars, rankings, World Campus, capital campaign, volunteers, financial stability, academic excellence, launch of new ideas...*



# Summary

- Penn State is remarkably strong, and growing stronger
- New initiatives have the potential to take us even further
- Significant challenge to promote visibility of our excellence

# Discussion/Questions



## Remarks from Provost and Executive Vice President Nicholas P. Jones

### Meeting of the Penn State Board of Trustees, University Park

May 8, 2015

“Good afternoon. Today I’d like you all to grab your proverbial scuba gear and join me on a deeper dive into Penn State’s Strategic Plan for 2015-16 through 2019-20, about which we’ve made substantive progress in recent months. This plan represents Penn State’s blueprint for the future, articulating not only our institution’s mission, vision and values, but also its foundational principles and imperatives, strategic priorities and supporting efforts that will enable Penn State to thrive as we conclude the second decade of the new millennium.

“As Eric mentioned, Moody’s release two weeks ago of Penn State’s Aa2 rating is excellent news. So, we’re doing great, right? Indeed, we are, which may lead some to ask why we need a new Strategic Plan. One of my colleagues and friends at Johns Hopkins, Benjamin Ginsberg, wrote recently that strategic plans for universities are essentially a waste of time and are ‘usually forgotten after they are promulgated.’ In short, he suggests, the plans are about us and our perceived need to show our value by creating them, as opposed to truly driving a positive future for our institution. With all due respect to Ben, I disagree and maintain that strategic planning is critical to Penn State’s short- and long-term success. The process involves vision and outside-of-the-box thinking, describing where we want Penn State to go, but not necessarily how we’re going to get there. Like all other ‘travel plans,’ if we don’t establish clearly where we want to go, the details on how we’ll get there are meaningless. Put simply, strategic planning defines our institution’s future.

“That defining of Penn State’s future begins with our Mission Statement. And as I proceed fairly quickly through this presentation—we won’t get too granular now with specific tactics or tools—understand that this Strategic Plan is still very much a substantial work in progress. So, nothing articulated at this juncture should be construed or subsequently communicated as an official statement of purpose by or on behalf of the University. Our working Mission Statement asserts that ‘Penn State is a multi-purpose, land-grant, public research university that educates students from Pennsylvania, throughout the United States and the world, and improves the well-being and health of individuals and communities through integrated programs of teaching, research and service.’ No mission statement is truly meaningful if it does not reflect our institutional values, and if our actions on behalf of Penn State don’t reflect those values. We’ve identified six institutional values critical to our mission: Integrity, Respect, Responsibility, Discovery, Excellence and Community.

“Our Strategic Plan also includes a Vision Statement. Some ask how it’s different from the Mission Statement, and I typically say that a mission statement describes what we are doing, or want to do, right now, which helps in tactical planning. The vision statement, however, is a bit loftier, articulating the institution’s world view and intentions for its future. Our working Vision Statement says that, “Penn State is committed to making a strong, positive, meaningful and measurable impact on the constituencies we serve: Impact through our world-class research and its translation; impact through the quality, scope, reach, and accessibility of our teaching and educational programs; and impact through our service and outreach activities.”

“Underpinning the planning process are foundational principles that drive everything the University does, and are imperatives for everyone and every part of Penn State. We’re committed to Enhancing Access and Affordability, Committing to Excellence, Engaging our Students, Serving a Diverse World, Creating Economic Impact and Student Career Success, Leveraging Technology, Sustainability and Global Engagement.

“At the heart of the Strategic Plan are its Priorities—five thematic areas of focus that embody the strengths and opportunities that emerged from Penn State’s 18-month, broadly participative strategic planning process. Working groups within the University Strategic Planning Council addressed each of

these five Strategic Priorities: Education and Access, Cultures, Health, Managing and Stewarding resources, and The Digital Future.

“Our first priority says Penn State will seize the opportunity to use its size, scope, reach, intellectual capital and resources to transform higher education, make it accessible to all sectors of society, and thereby make an indelible mark on the Commonwealth, the nation and the world. Achieving this goal will require several steps, including forging K-12 partnerships, leveraging online capabilities and digital assets, fostering a delivery-blind culture and curriculum, and equipping and empowering faculty. Second, Penn State will promote cultural literacy through national leadership in the arts and humanities. Achieving this goal will require improving students’ cultural knowledge and awareness, strengthening the arts and humanities by investing in key programs and activities, and promoting Penn State as a cultural destination. Next, Penn State will harness its formidable set of health-related resources to position itself to be a leader in promoting the quality of life through personalized health. Achieving this goal will require Penn State to become a leader in interdisciplinary research on personalized health; to create innovative, interdisciplinary and inter-professional graduate and post-graduate programs; build partnerships within Pennsylvania; and improve our own community’s health.

“The fourth priority is that Penn State will be recognized as a pre-eminent university in leading the creation of ethical and sustainable solutions to the fundamental challenges of providing safe and abundant water, clean and accessible energy, plentiful and nutritious food, in an economical, ethical and sustainable manner that protects the environment for future generations. Achieving this goal will require applying fundamental science to important problems and challenges related to water, energy and food. Also important will be development of enabling technologies and predictive models for practical application; fully utilizing and expanding multidisciplinary research structures; and forging partnerships with industry and government.

“Finally, Penn State aspires to be the leader among institutions of higher education, digitally extending our impact and responding to the potential of technology to help us teach, research, and serve communities just outside our gates and across the globe. Achieving this goal will require building a digital infrastructure and culture that crosses traditional academic boundaries; facilitating the transformation of learning; driving regional economic development; and establishing Penn State as the global leader in digital discovery and innovation.

“The University Strategic Planning Council identified and developed three supporting strategies to ensure Penn State can pursue its institutional priorities. They are Organizational Processes, Academic Infrastructure, and Outreach and Engagement. The first supporting strategy dictates that Penn State will design, develop and deploy effective and agile organizational processes that support the University’s mission. Steps to accomplish this include improving current processes’ design and effectiveness; moving toward integrated processes; instituting processes for continual institutional assessment, improvement and innovation; and adopting multi-year innovation-oriented business plans. Secondly, Penn State must think creatively and act boldly to ensure its academic infrastructure aligns with the University’s mission. Steps to accomplish this include building state-of-the-art information technology, investing in infrastructure-related research, driving innovation through collaboration, and developing an impact plan. The third and final supporting strategy establishes that Penn State will become the world leader in cultivating student-engaged learning and service. It also will share globally its substantial research, creative works and scholarship. Steps to accomplish this include further building worldwide access to research and scholarship across disciplines, enriching student learning experiences, forging critical partnerships, and creating a Land Grant Innovation Fund that would support community-based outreach and research initiatives throughout the Commonwealth.

“Part of the purpose of strategic planning is to strengthen the University’s ability to make sometimes difficult but informed choices and to allocate resources according to evidence, judgment and prioritization. Core principles include investment guided by institutional and unit plans, seeking positions of leadership and impact, understanding external realities and their impacts, leveraging existing resources and strengths and generating new ones, and seeking innovative partnerships. A Strategic Plan as ambitious as this one requires hard work by all stakeholders, but Penn State is well situated to make it happen. For decades, this University has maintained its commitment to strategic planning across

academic, research, and academic units, and this plan extends that productive-, action- and impact-oriented approach. We will meaningfully extend Penn State's reach and impact through the core elements of our Mission: teaching, research and service.

"Thank you for listening and for your support of our strategic planning process. I now have time for a few questions."

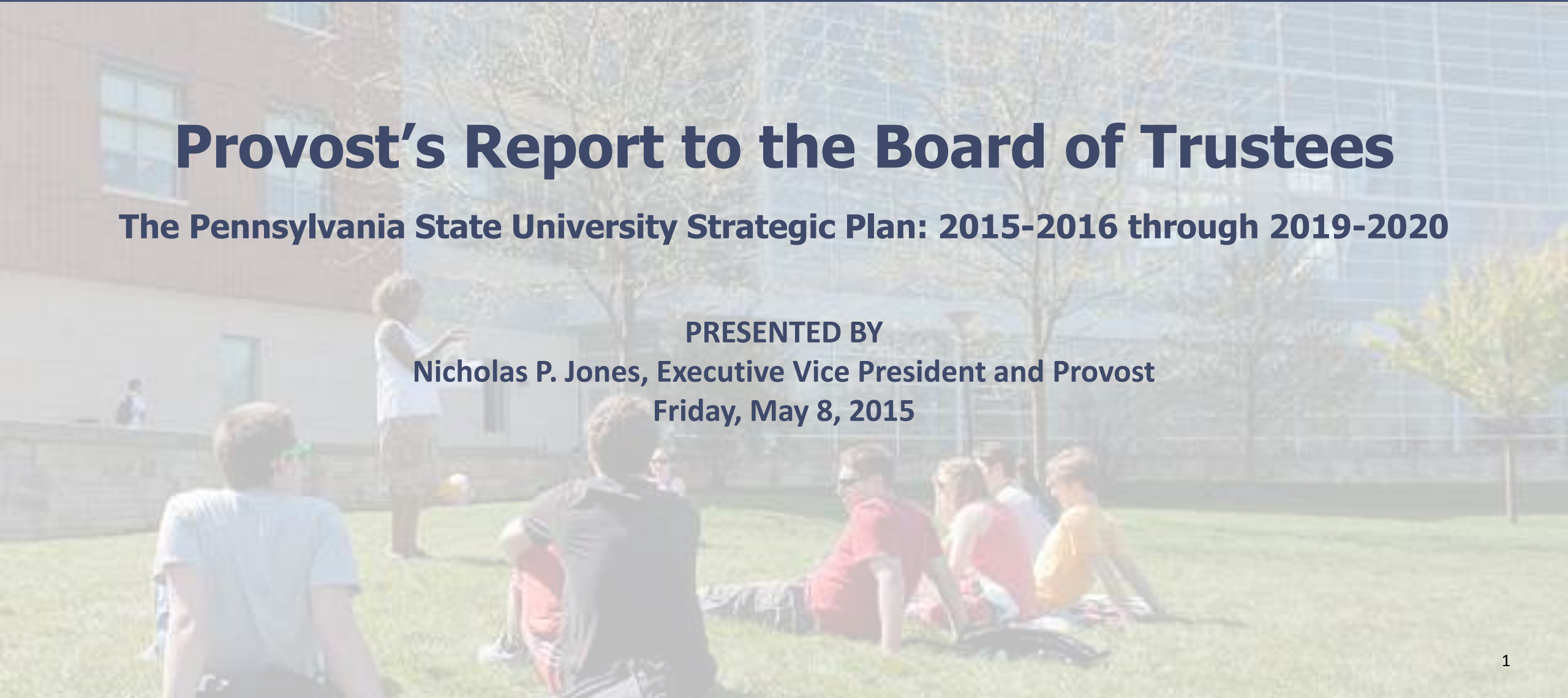




# **Provost's Report to the Board of Trustees**

**The Pennsylvania State University Strategic Plan: 2015-2016 through 2019-2020**

**PRESENTED BY**  
**Nicholas P. Jones, Executive Vice President and Provost**  
**Friday, May 8, 2015**



# Strategic Planning: Why Do We Need It?



**Penn State's Strategic Plan:  
Vital to Short- and  
Long-Term Success**

**Strategic Plan: Defines the  
Future of the Institution ...  
Not About "Me" or "Us"**

# Penn State Mission Statement



Appendix 1



**Emphasis on:**

**Teaching**

**Research**

**Service**



# Institutional Values



**Vital to Our Mission:**

**Integrity**

**Respect**

**Responsibility**

**Discovery**

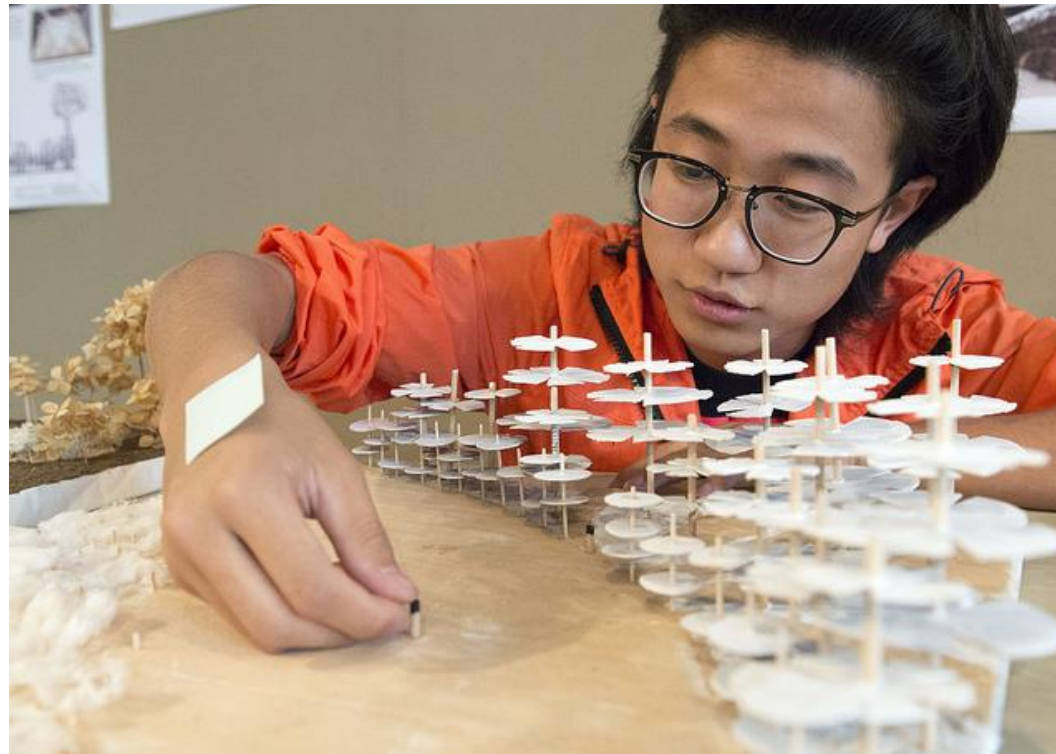
**Excellence**

**Community**

# Strategic Plan Vision Statement



**It's All About IMPACT**



# Imperatives and Foundational Principles



**Access and Affordability**

**Excellence**

**Student Engagement**

**Serving a Diverse World**

**Economic Impact and  
Student Career Success**

**Technology**

**Sustainability**

**Global Engagement**

# Five Thematic Priorities in the Strategic Plan



**Education and Access**  
**Cultures**  
**Health**  
**Managing and Stewarding Resources**  
**The Digital Future**

# Education and Access



## Key Elements:

**K-12 Partnerships**

**Online Capabilities / Digital Focus**

**Delivery-Blind Culture and Curriculum**

**Equipped and Empowered Faculty**





# Cultures

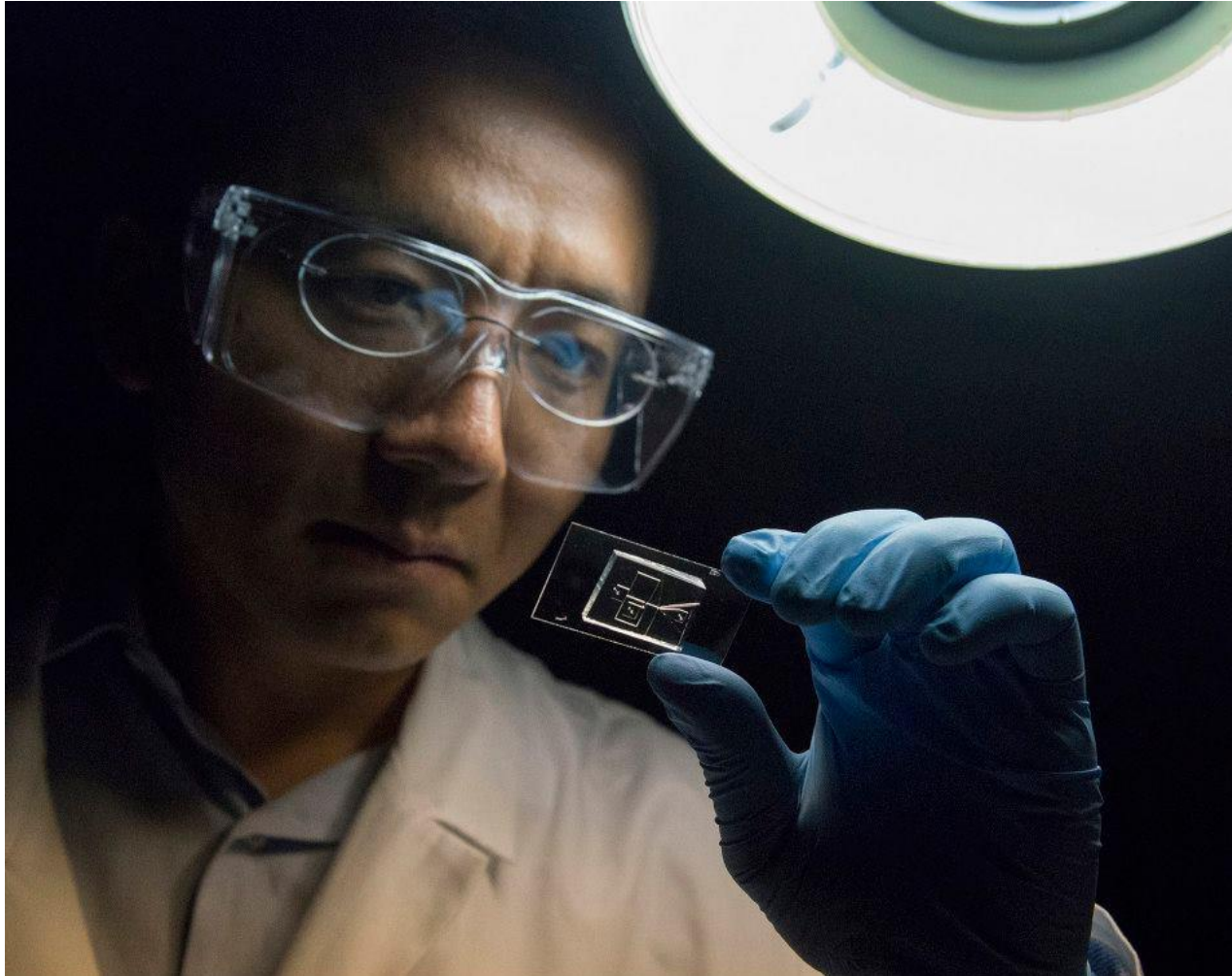


## Key Elements:

- Students' cultural knowledge, awareness**
- Invest in relevant key programs, activities**
- Penn State = cultural destination**



# Health



## Key Elements:

**Research on personalized health**

**Innovative graduate  
and post-graduate programs**

**Partnerships within  
Pennsylvania**

**Our community's health**

# Managing and Stewarding Resources



## Key Elements:

**Fundamental science**

**Enabling technologies, predictive models**

**Research structures**

**Partnerships with industry, government**

# The Digital Future



## Key Elements:

**Digital infrastructure**

**Transformation of learning**

**Economic development**

**Penn State = leader in digital  
discovery and innovation.**

# The Plan's Supporting Strategies



**Three Key Supporting  
Strategy Foci:**

**Organizational Processes**

**Academic Infrastructure**

**Outreach and Engagement**

# Organizational Processes



## Key Elements:

**Improving current processes and integrating them**

**Ongoing institutional assessment, improvement, innovation**

**Multi-year, innovation-oriented business plans**

# Academic Infrastructure



## Key Elements:

**State-of-the-art IT, always  
Infrastructure-related research**

**Innovation through  
collaboration**

**Impact plans**

# Outreach and Engagement



**Among the Key Elements:**

**Worldwide access to research and scholarship across disciplines**

**Enriched student learning experiences**

**Creating a Land Grant Innovation Fund**



# Guiding Principles for Resource Allocation



## Considerations:

**Guided investment**

**Seeking positions of leadership and impact**

**Leveraging existing resources, strengths**

**Innovative partnerships**

# The Strategic Plan: From Action to Impact



## Meaningful Work That Makes a Difference



# Feedback and Questions



**Thank you.**