

MINUTES OF MEETING

BOARD OF TRUSTEES

VOLUME 258

September 9, 2011

A meeting of the Board of Trustees was held in the Boardroom of The Nittany Lion Inn, University Park, Pennsylvania, at 10:30 a.m. on September 9, 2011.

The following Trustees were present: Garban (chairman), Surma (vice chairman), Alexander, Broadhurst, Dambly, Deviney, DiBerardinis, Eckel, Hayes, Hetherington, Hintz, Huber, Hughes, Jones, Joyner, Lubert, Masser, Myers, Peetz, Riley, Shaffer, Silvis, Spanier, Strumpf, and Suhey; and Trustees Emeriti Cook, Coppersmith, Huck, Junker, Metzgar, Robinson, Rowell, Wise, Wood, and Zemprelli.

Present by invitation were faculty representatives Hagen, Backer, and Hufnagel; student representatives Bard, Khoury, and Lozano; and staff members Ammerman, Bowen, Curley, DiEugenio, Erickson, Faulkner, Foley, Horvath, Jones, Kirsch, Mahon, Mulroy-Degenhart, Paz, Poole, Schultz, Sims, and Weidemann.

State-of-the-University Message

Dr. Spanier's State-of-the-University Message is included in its entirety:

"There is an unprecedented level of cynicism in our country today about leadership at all levels--the Congress, the President, state government officials, and even university administrators. It reminds me of the old story about the son who comes down for breakfast and says to his mother 'I'm not going to school today.' The mother asks why, and the son says 'I'll give you two reasons: Because the teachers don't like me, and the students make fun of me.' The mother says, 'Son, you are going to school today, and I'll give you two reasons: First, you are 60 years old, and second, you are the president of the university.'

"It has always been my belief that people desire good leadership, and in fact will support it and follow it. It is in this spirit that it has been my custom each September to comment on the state of the University, through an address or video.

"I've spent 25 years at Penn State during my two tours of duty and care deeply about the University and its people. The well-being of this state is also important to me, not only as president of Penn State, but also as a citizen of Pennsylvania, and I'd like to reflect on our University and the larger context in which we operate.

"This past year has been an eventful one that caused many to reexamine Penn State's relationship with the Commonwealth of Pennsylvania and the future of our historical land-grant mission to serve the citizens of the state. Yet even during our most challenging times I have never heard a single trustee, faculty member or administrator question the wisdom of our heritage or our desire to reach out to the people of the Commonwealth through educational programs, research, extension, or public service. I never heard anyone on our staff suggest that we needed to reduce enrollments or curtail admissions. Thank goodness, since we received more than 121,000 applications last year and remain the most popular university in America. Interest in our University and support for what Penn State is and has been is stronger than ever among our employees, our students, and our alumni. Statewide surveys show that Penn State is the most recognized university in Pennsylvania, and there is phenomenal support for what we do for Pennsylvanians.

"However, as budget pressures increase and traditional sources of funding diminish, we must take some steps to ensure that our land-grant mission doesn't crack like the land-grant frescos in Old Main, which, I assure you, will be restored!

"You might recall the story about the genie that appears at a Board of Trustees meeting and tells the president that in return for his exemplary leadership, the genie will reward his university with his choice of an infinite appropriation, unlimited wisdom, or phenomenal beauty. Without hesitating the president selects unlimited wisdom.

" 'Done!' says the genie, and disappears in a cloud of smoke and a bolt of lightning. Now, all heads turn toward the president.

" 'Say something,' says the chair of the board.

"The president says, 'I should have taken the money.'

"There are more than 4,000 colleges and universities in this nation--public, private non-profit, private for-profit, 2-year and 4-year. They serve 18 million students who hail from around the globe, every socio-economic group, race, religion, political persuasion, and family circumstance. Students everywhere pursue degrees with the desire for financial security, social mobility, intellectual challenge, and the desire to serve their community.

"But no university replicates Penn State in governance or structure, only a small number resemble us in size and scope, and I dare say that few have achieved the same measure of success in creating a student-centered university within the context of a major research university.

"Moreover, few institutions of higher education have grown, adapted, and changed as profoundly as Penn State. Yet the fundamental priorities of the University have remained true to our historical values. I desire to see that continue. Our challenge will be to continue to thrive in an environment that has increasingly deemphasized funding for public higher education.

"Indeed, only little more than six percent of our total revenues now come from legislative appropriation, and we operate much like a private university, albeit with a sense of public responsibility that courses through our veins. It is a dilemma that we may not be able to be all things to all people, even while we know with certainty that our ability to advance the best interests of the state is profound. We must continue to explain why support for this great institution is justified in its own right and in relation to other priorities, even in a national and state context where higher education is increasingly seen as a private rather than a public good.

"But it is not my intent to dwell on this circumstance. As John F. Kennedy wisely said, 'Our task is not to fix the blame for the past, but to fix the course for the future.'

"It is my responsibility to prepare for and promote a future that allows--indeed demands--that Penn State advance regardless of the environmental context. We are and will continue to be one of the great institutions of higher education in this nation, and we will succeed in continuing to advance the pursuit of our missions.

"Perhaps you've seen a cartoon in which a king is standing on his balcony addressing his subjects. With great majesty he says, 'It is my wish that this be the most educated country in the world, and toward that end I hereby ordain that each and every one of my people be given a diploma.'

"If only it were that easy.

"We are in a paradoxical time. A college degree has never been more critical for success. Our nation needs the research, development, and innovation that come from enterprises like ours. People are crying for economic development, something Penn State has specialized in for more than 150 years. We have the keys to human development, the ability to improve the human condition through the fine and performing arts and public broadcasting, the opportunity to instill pride through athletics, and the mechanism to reach people everywhere through Cooperative Extension. The mind is willing, but what will we need to do to have the body follow?

"Where Penn State has gone, economic development, educational attainment, agricultural progress, and technological gains have followed. What's more, Penn State is one of the largest contributors to the state's economy. The total impact of the University goes beyond the operations of 24 campuses located throughout the Commonwealth and the

education of more than 96,000 students. Penn State generates more than \$17 billion annually for the Commonwealth of Pennsylvania through direct, indirect and induced economic impact, according to an independent economic impact study. And for every dollar invested by the Commonwealth to support the operations of Penn State, the University returns \$25 in total economic impact to Pennsylvania. Not only do we contribute enormously to the Commonwealth, we have an indisputable record of success that dates back to 1855. Penn State has, without a doubt, changed the world for the better.

"One of my favorite memories of our former board chair and benefactor Bill Schreyer is this quote from when he was CEO of Merrill Lynch: 'The pessimists are correct at any given point in history, but never over the long term.'

"So, looking ahead, which I prefer to do, let me review some of the elements of our strategic plan that will guide us under any of the scenarios we foresee.

"First and foremost, we will continue to strive to be the top student-centered research university in the nation.

"Every August, when I move into our residence halls for the opening weekend, I learn a lot. For instance, email is out, and text messages are in. Pajamas are out, and t-shirts and shorts are in. Paying attention to people in the old fashioned way is out, and multi-tasking is in. And making beds is clearly out.

"But I've also learned that our students are sincerely interested in contributing to society. They're ambitious, intelligent, motivated, enthusiastic, and sincere. They're also insecure and anxious about the future, and their place in it. They need our support, and we must continue to invest in student success. That is a top goal of our strategic plan, and it is central to everything we do at Penn State.

"A second goal is for Penn State to continue to advance academic excellence through research, scholarship, and creative activity. We must not under any circumstance succumb to the simplistic notion that all colleges and universities should be evaluated and funded solely in relation to their mission of undergraduate education. That may be true for the vast majority of institutions of higher learning in our country. But it would be folly to undermine the preeminence of our nation's research universities, schools like Penn State, by evaluating these institutions exclusively in relation to their undergraduate teaching missions. Such thinking would undoubtedly contribute to a decline in America's competitiveness.

"Our faculty members write seminal books in their fields. Their pioneering research transforms lives. In short, our faculty members are not just disseminators of knowledge. They are creators of knowledge. Moreover, our graduate and professional students represent the next generation of doctors, lawyers, CEOs, and community leaders, not to mention future faculty.

"The integration of teaching, research and service continues to be an important goal for Penn State, and nowhere is this better exemplified than by the Penn State Hershey Medical Center and Penn State College of Medicine. Clinical activity continues to grow through hospital admissions, with nearly one million patients served last year through in-patient hospitalizations, outpatient clinic visits, and emergency department visits. The Penn State Hershey Cancer Institute is now providing state-of-the-art clinical care while advancing ongoing cancer research. And the new, freestanding Penn State Hershey Children's Hospital facility that will open at the end of 2012 will allow us to better serve the region as the only children's hospital in south-central Pennsylvania. We are also very pleased with the success of the expansion of the Penn State Hershey Health System into communities such as State College, Lancaster, Camp Hill and Reading.

"Another goal I want to mention is for Penn State to realize its potential as a global university.

"The humorist Dave Barry once observed, 'Americans who travel abroad for the first time are often shocked to discover that, despite all the progress that has been made in the last 30 years, many foreign people still speak in foreign languages.'

"In higher education generally and at Penn State specifically, globalization has never been more integral to our teaching, research and service. This year nearly 700,000 international students enrolled in U.S. colleges and universities, and that number is on the rise. In addition, a growing percentage of our students study abroad each year. Our graduates will enter a marketplace of global competitiveness where knowledge of other countries and the ability to speak other languages will be great assets.

"At Penn State, we have seen a dramatic increase in admissions applications from international students, with total international undergraduate applications up more than 50 percent over the last year. Historically, most international students at Penn State were graduate students. Now more than half of our international students are undergraduates. It is a meaningful trend. Undergraduate students generally live in residence halls and thus have more opportunities to interact with a broad population of American students inside and outside of classrooms. The relations formed can go a long way toward building goodwill and lasting respect among young adults worldwide.

"This global expansion of educational excellence has enormous potential to benefit the world by yielding transcontinental opportunities for research into urgent global challenges on topics such as energy, water resources, the environment, climate change, and infectious diseases. Our involvement as one of the founding members of the Worldwide Universities Network is one way we engage in such partnerships.

"Another priority is to maintain access and affordability and to enhance diversity. In recent years we have seen strong gains in the number of minority students. We achieve this goal in part by keeping the doors of opportunity wide open to a geographically and demographically diverse population across the state. Our unique array of campuses is an important component in achieving this goal.

"I thus want to reaffirm Penn State's commitment to our Commonwealth Campuses. Our campuses have been an indispensable source of education and workforce training in communities across the state. Our campuses were founded in every case with strong community support and encouragement, as a way to spark regional growth and advancement. They helped communities overcome the fiscal adversity of the Great Depression, and in the forties they helped train the influx of men and women returning from World War II. In subsequent years, these campuses have been highly flexible in meeting educational needs while being sensitive to demographic conditions, branching out to offer programs necessary for the economic development and cultural improvement of their region, not to mention the professional development of tens of thousands of citizens, including a vast number of adult students.

"Today 60 percent of Penn State students begin their education on a Commonwealth Campus, and many of our students are choosing to complete their degrees there as well. Penn State is one university, geographically dispersed. This arrangement has proven valuable for our students, our communities and the entire Commonwealth of Pennsylvania. Our campuses will, of course, continue to evolve, and we will adapt missions and curricula as needed to serve our students.

"Despite rising costs, Penn State is still a great investment for our students. But while being as efficient and cost-conscious as possible, we must never sacrifice our quality or reputation. That is a slippery slope we must avoid. We have a strong, successful track record for our graduates, and that above all should be the prize.

"Notably, the *Wall Street Journal* reported in their national survey of recruiters that Penn State was the top institution in the nation for producing the best prepared, most well-rounded graduates who are able to succeed once hired.

"In addition to educating the next generation of leaders, scientists, educators, humanitarians, and philanthropists, Penn State is changing the world through our partnerships with industry. This has always been a hallmark of our success, and no university handles the delicate checks and balances more carefully, including conflicts of interest, ownership of intellectual property, and thoughtful collaboration.

"Our College of Agricultural Sciences has been hit particularly hard this year, but we will not allow the statewide cuts in agriculture to force a retreat from our support of one of Pennsylvania's most important industries. Penn State's inaugural President, Evan Pugh, recognized the need for science-based agricultural knowledge, and that need is still pressing today, as we try to feed more people throughout the world, protect our water supplies, encourage stewardship of our lands, improve human nutrition, and tend to the needs of children, youth, and families.

"All of our priorities for the future depend on our ability to keep up with and take advantage of evolving technologies. A 1955 documentary on the future promised us a world of the unimaginable—including video telephones, solar batteries, music synthesizers, and electronic photography. At the time it was considered science fiction; today you can find most of it on sale over the Internet. In case it hasn't occurred to you lately, these and countless other inventions are largely the result of research from our nation's universities.

"Now imagine a world where your car gets a hundred miles per gallon, insects are used to detect explosives, a team of students develops a plan to land a vehicle on the moon, wastewater purifies itself through microbial fuel cells, bone density is increased so that the elderly have a reduced risk for broken bones, a topical cream prevents the early stages of melanoma, better plant root systems allow people to grow nutritious food on arid deserts, the oil you use to cook French fries can fuel up your car the next day, and people swallow pill-sized cameras so that doctors can get a clearer picture of their inner workings.

"As you imagine this world, know that you can find Penn State researchers who are right now working on all of these concepts, and hundreds of others that will transform our future.

"Penn State's research expenditures were more than \$800 million last year, which ranks us among the top research institutions in the world. And think about this: Every \$1 million in research and development spending generates 36 jobs. You don't have to be a math major to see the impact of our research enterprise.

"Penn State helped invent distance education in 1892, when Rural Free Delivery was enacted by Congress, and we have continued to be on the leading edge ever since. This is perhaps our greatest growth area at Penn State. Enrollments in Penn State's World Campus are soaring, reaching nearly 40,000 course enrollments last year, which is a 22 percent increase over the prior year. Online education nationally grew 17 percent last year, with nearly one in four students taking a college course online. That's up from one in ten in 2002. I'm proud that Penn State ranked first in the nation in a recent analysis of online education programs.

"Another important priority for us is to continue to make wise investments in our infrastructure. This means addressing deferred maintenance, renovating deteriorating buildings, and undertaking new building projects as funding is identified. The new Millennium Science Complex is an example of such an investment, since it promises to revolutionize the research opportunities in materials and life sciences, while attracting millions of dollars in external funding. We will see similar investments flourish in health and human development, biobehavioral health, children's medicine, and psychology, as those projects move along.

"We must not skimp on improving our facilities. As I've often said, you can't do 21st-century science in 1930s buildings, and Penn State has among the smallest allocation of space per student or faculty member among our peers. In addition, deferred maintenance continues to be a challenge. We have a capital renewal backlog in excess of \$1 billion, with roughly 16 million square feet of space more than 40 years old—that's more than half of all space. There will always be criticism when new buildings go up in constrained financial

conditions, but we must take the long view.

"We will, of course, need to continue to control costs and generate additional efficiencies in our operations. This past year, the \$30 million we trimmed from our budget wasn't loose change that we found in the seat cushions. These were targeted and across-the-board cuts that resulted in reductions of programs and people. We did what we had to do, but we must turn our attention back to supporting competitive salaries and rewarding our faculty and staff for the good work they are doing.

"We must continue our efforts to build public confidence and support. We need to articulate the value we provide in every county, to the business sector, and for every family. Many citizens do not understand the direct impact that Penn State has on their lives and livelihood. We live in an era of sound bites rather than substantive discussion.

"Mark Twain quipped, 'A lie can get halfway around the world while the truth is still putting its boots on.'

"But let us not be reluctant to tell our story, openly and honestly.

"Finally, philanthropy will be an increasingly important part of the solution. More than 100 years ago when Andrew Carnegie and Charles Schwab donated gifts for the construction of two buildings on the University Park campus, this type of generous support was rare. Today, private funding is essential for helping us to meet the need for student scholarships, faculty support, program development, new buildings and more.

"To date, we have raised \$1.4 billion toward our \$2 billion goal of *For the Future: The Campaign for Penn State Students*. Many have worked tirelessly on the campaign, and we are grateful to those who have supported this effort. For those who are still considering how they can make an impact through philanthropy, you know where to find me.

"I want to state my belief that higher education is not an ivory tower, but an enterprise that both influences and is influenced by society. I want to emphasize that our mission is as important today as it has ever been, and the opportunities to make a difference have never been greater.

"By the way, that cartoon I mentioned about the king suggesting that he would improve the education of his country by simply bestowing diplomas--that was published 40 years ago at a time when education was facing a crisis--in funding. The issues in education haven't changed that much after all.

"I am optimistic that with the dedication and effort of everyone in the Penn State family we are well positioned for the future. Thank you for your attention and for all you do every day in support of the mission of Penn State."

Chairman Garban welcomed the University Faculty Senate Officers, Daniel Hagen, Larry Backer, and Pamela Hufnagel; student representatives Jonathan Lozano, TJ Bard, and Peter Khoury; administrative fellows Karen Duncan, Olga Igolnikov, and Careen Yarnal, and Associate General Counsel Mark Faulkner. Chair Garban also welcomed Gary Schultz, who will serve as Interim Senior Vice President for Finance and Business.

Albert G. Horvath, Senior Vice President for Finance and Business/Treasurer, will be leaving the University to assume the post of Under Secretary for Finance and Administration and Chief Financial Officer at the Smithsonian. A Penn State mantle clock was presented in appreciation of his leadership and service to Penn State.

It was voted to approve the minutes of the meeting of the Board held on July 15, 2011.

Informational Report on Research Activities

Henry C. Foley, Vice President for Research and Dean of the Graduate School, provided a broad overview of research activity at Penn State.

Questions for President Spanier

President Spanier received questions concerning:

- The discussions and deliberations that occurred at a recent NCAA summit involving university presidents regarding intercollegiate athletics
- The University's designation as number one in distance learning
- Weather-related issues and campus closings

Reports from Standing Committees

A. Committee on Campus Environment

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

Vice Chair Huber reported that since the last meeting, the Committee had an opportunity to meet with a panel of health professionals who discussed the current status of student health and wellness at Penn State.

B. Committee on Educational Policy

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

Chair Joyner reported that since the last meeting, the Committee had an opportunity to meet with the officers of the University Faculty Senate. They had great conversation and it promises to be an outstanding academic year.

C. Committee on Finance and Physical Plant

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

Chair Strumpf reported that since the last meeting, the Committee had the opportunity to receive information on the operation and finances of the Penn State Milton S. Hershey Medical Center.

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

1. RESOLVED, That the Board of Trustees approves the sale of .254 acres in State College, Centre County, Pennsylvania, to the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter Day Saints in the amount of \$25,000.

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.

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

3. RESOLVED, That the Board of Trustees gratefully acknowledges the generous contributions of the many friends of the University in support of endowments, funds, and other major commitments as reported to the Committee on Finance and Physical Plant at its meeting of September 9, 2011.

FURTHER BE IT RESOLVED, That the Officers of the University are authorized to convey the Board's appreciation to these generous benefactors who provide opportunities for many students to receive a quality education.
4. RESOLVED, That the new Level III Biosafety Laboratory at University Park is named the "Eva J. Pell Laboratory for Advanced Biological Research."
5. RESOLVED, That J. David Rogers and Gary Glynn, non-University employees, are appointed to the Penn State Investment Council for terms ending in 2014.
6. RESOLVED, That the Officers of the University are authorized to submit to the Legislature, appropriate departments, and offices of the Commonwealth of Pennsylvania, a State Appropriation Request for fiscal year 2012-2013 in the amount of \$293,689,000.
7. RESOLVED, That the Officers of the University are authorized to appoint the firm of Kieran Timberlake of Philadelphia, Pennsylvania, as architects for the Greater Philadelphia Innovation Cluster Hub, Philadelphia Navy Yard Building 661 Retrofit at Philadelphia.
8. RESOLVED, That the Officers of the University are authorized to appoint the firm of Ann Beha Architects of Boston, Massachusetts as architects for the Old Main Renovations at University Park.

The Committee received the following items for information:

1. East Campus Low Pressure Steam Line Extension, University Park
2. Naming of Rooms, Portions of Buildings and Plazas
 - a) Several Spaces within the Moore Building as follows:
 - 1) Conference Room, 250 Moore Building, for a gift from the estate of Harold H. and Harriet B. Benjamin. The recognition plaque should read: *Harold H. and Harriet B. Benjamin Conference Room.*
 - 2) Laboratory, 459 Moore Building, for a gift from Herschel and Eileen Leibowitz. The recognition plaque should read: *Herschel W. and Eileen Wirtshafter Leibowitz Laboratory.*
 - 3) Conference Room, 467 Moore Building, for a gift from Hellene Runtagh. The recognition plaque should read: *Hellene Runtagh Conference Room.*
 - 4) Advising Office, 125E Moore Building, for a gift from Margaret "Peg" West. The recognition plaque should read: *Margaret A. West, 1972, Advising Office.*
 - 5) Laboratory, 607 Moore Building, for a gift from Gary and Linda Kaplan. The recognition plaque should read: *Gary and Linda Kaplan Laboratory.*
 - b) Several spaces within the Sheetz Center for Entrepreneurial Excellence at Penn State Altoona as follows:
 - 1) Trading Room, for a commitment from Michael and Gail Irwin. The recognition plaque should read: *Michael and Gail Irwin Family Trading Room.*
 - 2) Conference Room (first floor), for a gift from Young, Oakes, Brown and Company. The recognition plaque should read: *Young, Oakes, Brown and Company Conference Room.*

- 3) Lounge (first floor) for a gift-in-kind from the Hite Company. The recognition plaque should read: *Hite Company Lounge*
 - 4) Incubator (second Floor) for a commitment from the Students in Free Enterprise (SIFE) Business Advisory Board. The recognition plaque should read: *Students in Free Enterprise (SIFE) Business Advisory Board Business Incubator*
 - 5) Lounge/Dining Area (first floor) for a commitment from Phillip and Rosalind Sky and Neil and Marilyn Port families. The recognition plaque should read: *Port-Sky Lounge*
 - 6) Lobby (first floor), for a commitment from Don and Sherry Brett. The recognition plaque should read: *Brett Lobby*
- c) The engineering classroom, Room 322 at Penn State Lehigh Valley, for a commitment from Daniel L. Puchyr. The recognition plaque should read: *This laboratory named in recognition of generous support from Judy and Dan Puchyr*
- d) Rename the "South Annex" in the Bryce Jordan Center the "Basketball Practice Facility."
- e) Several spaces in the Knowledge Commons, Pattee Library, as follows:
- 1) Quick Access Service Area for a gift from Joseph DiGiacomo. The recognition plaque should read: *Joseph DiGiacomo Quick Access Service Area*
 - 2) Atrium seating area for a gift from Cindy Joyce. The recognition plaque should read: *Cindy Joyce Atrium Seating*
 - 3) Atrium seating area for a gift from Virginia Todd Chapel. The recognition plaque should read: *In Memory of Bob and Loretta Todd Atrium Seating*
3. Status of Major Construction Programs and Borrowing
 4. Capital Plan Update
 5. Update on the Status of Borrowing and Remaining Debt Capacity
 6. Investment Review of Endowment and Similar Funds as of June 30, 2011
 7. A photo report on the progress of selected construction projects was presented including: Children's Hospital at Penn State Hershey, Moore Building Addition at University Park, Greenhouse Facility at Penn State Harrisburg, Entrance to the Ralph G. and Madeline B. Swenson Engineering Center at Penn State York upgrades to the Auditorium and Lecture Hall at Penn State Abington, ADA accessibility projects at Beaver Stadium, Housing and Food Services elevator upgrades at University Park, and various projects at University Park and other campuses. Completed projects include Pollock Dining Commons and the Gary Schultz Child Care Center at Hort Woods at University Park.

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

Legal Matters

Associate General Counsel Mark Faulkner noted that there were no pending legal matters.

Approval to Grant Honorary Degrees

The Board of Trustees approved the following resolution:

RESOLVED, that the Board of Trustees approves the granting of the Honorary Doctorate of Humane Letters to Eric Thomas, M.D. and the granting of the Honorary Doctorate of Humane Letters to Dr. Gary Orfield at upcoming commencement ceremonies.

Election of Officer

Dr. Graham B. Spanier, Secretary of the Board of Trustees, nominated Gary C. Schultz (replacing Albert G. Horvath) as Treasurer of the Board of Trustees, effective September 12, 2011, to serve until the annual election in January 2012. There being no further nominations, ballots were distributed.

Gary C. Schultz was elected Treasurer of the Board of Trustees.

Announcement by the Chairman of the Board of Trustees

Chairman Garban in his remarks:

- Reminded all that this weekend was the tenth anniversary of 9/11.
- Thanked everyone for such great meeting attendance under difficult conditions.

The meeting adjourned at 3:08 p.m.

Respectfully submitted,

Paula R. Ammerman
Associate Secretary
Board of Trustees