

PENNS^TATE



Meetings of the Board of Trustees

September 19, 2014

Minutes

**MINUTES OF MEETINGS OF
BOARD OF TRUSTEES
VOLUME 281
TABLE OF CONTENTS**

	<u>PAGES</u>
Board of Trustees	
President's Report.....	2
Provost's Report.....	2
Reports of the Standing Committees	
A. Committee on Academic Affairs and Student Life.....	2-3
B. Committee on Legal and Compliance	3-4
C. Committee on Audit and Risk.....	4
D. Committee on Compensation.....	4
E. Committee on Finance, Business and Capital Planning	4-7
F. Committee on Governance and Long-Range Planning.....	8
G. Committee on Outreach, Development and Community Relations	8-9
Public Comment.....	10
 Appendix I	 12-42
Appendix II	43-53

281-1
MINUTES OF MEETING
BOARD OF TRUSTEES
VOLUME 281
September 19, 2014

A meeting of the Board of Trustees was held in Dean's Hall of the Penn Stater Conference Center Hotel, University Park, PA, at 1:42 p.m. on September 19, 2014.

The following Trustees were present: Masser (chairman), Casey (vice chairman), Barron, Benson, Brown, Cotner, Dambly, Dandrea, Doran, Eckel, Frazier, Goldstein, Greig, Harpster, Hintz, Huber, Jubelirer, Lord, Lubrano, McCombie, Mead, Oldsey, Peetz (by phone), Pope, Rakowich, Rucci, Shaffer, Silvis, and Taliaferro. Emeritus Trustee Jones was also present.

Present by invitation were faculty representatives Ansari, Kulikowich, and Strauss; student representatives Ganjam, Rhubart, and Shaffer; committee staff representatives Blew, Egolf, McDonald, Salvino, and Warner; staff members Andrews, Basso, DiRaimo, Dunham, Gray, Guadagnino, Hanes, Jones, Kirsch, Mulroy-Degenhart, Pangborn, Poole, Sharkey, Sims, and Weidemann.

Chairman Masser's opening remarks are included as follows:

“Good afternoon and welcome to the new academic year. The start of the Fall Semester brings a new level of energy to our campuses, and I wish all of our students well in the year ahead.

“As you know, we received some excellent news last week, with the NCAA Executive Committee modifying the University's football bowl and scholarship limitations. This is indeed welcome news for everyone, and in particular our current and future student-athletes.

“I wish to acknowledge that these modifications are a recognition of the diligent efforts of many people over the past few years. And, I know you will join me in cheering on the team as they compete for the opportunity to attend a bowl game and the Big Ten championship.

“We have a great deal to cover today, so I'll move on to a few introductions.

“In May we welcomed our new Faculty Senate officers and student leaders. Today I want to welcome Jeremy Warner, who was elected to a second term as chair of the Staff Advisory Council. Jeremy was not able to be with us in July, but we are pleased he is with us today along with Jenny Blew, a co-chair elect of the Council. Jeremy and Jenny, we look forward to your contributions and engagement.

“Karen Wiley Sandler, Chancellor of Penn State Abington, is chair of the Academic Leadership Council for 2014-2015. Karen is not able to be with us today, but we look forward to the year ahead with Karen in that leadership role.

“At our July meeting, the Board recognized three individuals who were finishing their experience in the University's Administrative Fellows Program, and today I would like to welcome and recognize the new 2014-2015 Administrative Fellows. Janda Hankinson, director of Information Technology Services, will be spending the upcoming year with Rod Kirsch. Lisa Wandel, director of Residential Dining in Auxiliary and Business Services, will be serving her fellowship under the mentorship of David Gray. And, Nick Jones will be

serving as mentor to Wanda Knight, associate professor of art education and women's studies."

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 July 11, 2014 and August 13, 2014.

President's Report

Dr. Barron took an in-depth look at economic development and student career success. The report provided details on six areas: 1) Creating a Culture of Entrepreneurship; 2) Promoting Patents, Licensing and Start-ups; 3) Investing in Innovation; 4) Economic Development (University Park and Commonwealth Campuses); 5) Embedding Student Career Success in the Curriculum and Advising; and 6) Advancing Career Readiness through the Career Center. He concluded that the objective is to create a powerful path that enables Penn State to be recognized as a driver of economic development and student career success. He acknowledged that Penn State already has many existing elements in place, so our goal should be to fill the gaps and create a comprehensive program.

Dr. Barron responded to questions and comments about the following items:

- Staffing for new initiatives
- Engagement with entrepreneurs

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

[Appendix I]

Provost's Report

In his Provost's Report to the Board, Dr. Nicholas P. Jones praised Penn State's faculty, staff, students, and alumni and discussed the contributions of each group. He shared information about Penn State's new faculty as well as faculty completing the promotion and tenure process. He outlined characteristics of the new student class of 2018, cited awards won by graduate students, and summarized some activities of staff and alumni. He thanked all the groups for their commitment, impact and Penn State pride.

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

[Appendix II]

Reports from Standing Committees

Chairman Masser advised that standing Committees met in public session on Thursday, September 18, 2014, to consider any information or action items to come before the board today. Any action item considered and voted on in the Committee was included in reports by the respective Committee chairs. The full Board was asked to consider committee recommendations at the conclusion of each report.

A. Committee on Academic Affairs and Student Life

Chairman Abe Harpster reported that the Committee on Academic Affairs and Student Life met on Thursday, September 18 at the Bank of America Career Service Center on campus, with a quorum of the Committee present. The Committee received updates from administrative liaisons Rob Pangborn, Vice President and Dean for Undergraduate Education, and Damon Sims, Vice President for Student Affairs. Vice President Pangborn shared admission news, and indicated that work has already begun on the 2015 admission cycle. Vice President Pangborn shared that the second year of the Provost Award Program has provided much needed support for students from low-income families. A new online course placement system was introduced for the first-year undergraduate and transfer students beginning this year. An adaptive test for math placement provides the opportunity for students to access learning modules to strengthen their math skills prior to enrollment.

Vice President Sims shared insights about the beginning of the school year, including the President's Convocation and other welcome-week activities, including the Fresh Start program, which offers new freshmen, change-of-campus, and transfer students a chance to join together for common civic purposes and represents the single largest day of community service each year at Penn State. Vice President Sims reported that the fall career fair involved 534 employers; 7,100 students; and 3,200 interviews. The Committee heard about continuing challenges, including mental health issues often faced by students. Counseling and Psychological Services at University Park has hired five new providers which should reduce counseling wait lists that develop as the school year progresses. The committee received a written report showing progress on the University's continued commitment to minimize the misuse of alcohol and other drugs. Vice President Sims provided updates on the work of the University Task Force on sexual assault, which he chairs.

Anand Ganjam, President of University Park Undergraduate Association, provided the Committee with a brief summary of initiatives his organization is pursuing, several of which dovetail with the administration's efforts to address counseling, psychological services, and sexual assault prevention.

The Committee received a comprehensive report on student career success at Penn State. Vice President Sims noted that Penn State's career services activities are considered among the strongest in the nation, and emphasized the importance of sustaining and strengthening the hybrid model in which Career Services Operation works in concert with University-wide career services and the Alumni Association. Bob Orndorff, Senior Director of the Central Career Services Operation, and staff who provide career services for students in colleges and Commonwealth Campuses, provided a report which included outcomes for success; career path exploration; portfolio development; and personal marketing. Additionally, the panel shared long term goals for career services. Following a Q&A period, the Committee was provided with a tour of the Bank of America Career Services Building, a state-of-the art facility which was developed and constructed through the generosity of private gifts to the University.

There were no actionable items presented to the Board.

B. Committee on Legal and Compliance

Chairman Ken Frazier reported that the Committee on Legal and Compliance met on Thursday, September 18 with a quorum of the Committee present. The Committee received reports from Regis Becker, Director of Ethics and Compliance, and Julie Del Giorno, Athletics Integrity Officer. Mr. Becker reported on activities under his purview including the approval of an acceptance of gifts and entertainment policy, as well as a new code of responsible conduct focusing on legal and policy compliance; conflict of interest; accurate accounting; and misconduct reporting and non-retaliation. Mr. Becker also provided information and updates to the committee on privacy and HIPAA compliance; the export control compliance program; and the values and culture survey, including release information and sequencing. Ms. Del Giorno provided an update on the Athletics Integrity Agreement, noting that in conjunction with the NCAA compliance staff, she participated in the NCAA code of conduct and ethics and integrity training for all returning and new student athletes. She also noted that the quarterly Athletics Integrity Council meeting was held on September 17; that she will continue to provide ethics awareness training for student athletes; and that she is partnering with two campus colleagues in developing a team culture and values workshop series for athletic teams and student organizations. General Counsel Steve Dunham provided a legal update prior to the Committee moving into privileged, executive session.

In addition, on Thursday the Committee on Legal and Compliance met in joint session with the Committee on Audit and Risk. Following an informational item related to the acknowledgment of a code of ethics, the Committees discussed compliance with federal rules affecting the University's ability to receive federal funds. Senior Vice President for Finance and Business/Treasurer, David

Gray, provided an annual report and update on Phase 2 of the Plan for Continuous Improvement. Director of Internal Audit, Dan Heist, and Mr. Becker provided information about the Ethics and Compliance Hotline.

There were no actionable items presented to the Board.

Following the Committee report, Chairman Masser noted that during an Executive Session held earlier in the day, the Freeh Report and Consent Decree were discussed by the Trustees. He stated that the Board has not taken a position for or against the findings or conclusions contained in the Freeh Report, and would not be taking a position today. Chairman Masser committed to reserve time for discussions on these issues in the near future. Trustee Lord confirmed that these issues are of importance to the Board. He stated that he has been asked to consider deferring a vote on the resolution that he put forward in July. He has agreed to do that, and has asked that it be resolved by the end of October 2014.

C. Committee on Audit and Risk

Karen Peetz, Chairman of the Committee on Audit and Risk, reported that the Committee met on Thursday, September 18, with a quorum of the Committee present. The Committee reviewed the Roles and Responsibilities matrix, and results from the Committee's self-assessment survey. In anticipation of the possible formation of a Subcommittee on Risk, the Committee discussed possible structural issues and operating scope. University Risk Officer, Gary Langsdale, provided a status of risk presentation; he will continue to work with the liaison and staff to ensure continued conversation about risk. Mr. Langsdale also provided a status of risks under review by the Risk Council, as well as a process to update the risk list and related graphics. University Controller, Joe Doncsecz, discussed the engagement of Deloitte to perform due diligence procedures on the proposed transaction between the Hershey Medical Center and Pinnacle Health. Director of Internal Audit, Dan Heist, provided an update on the summary of internal audit report; audit follow-up report; and the fiscal year 2013-2014 audit plan status. As noted earlier, the Committee met in joint session with the Committee on Legal and Compliance. At the conclusion of the public meeting, the Committee met in Executive Session.

There were no actionable items presented to the Board.

D. Committee on Compensation

Chairman Carl Shaffer reported that the Committee on Compensation met on Thursday, September 18 with a quorum of the Committee present. The sole purpose of the meeting was to review and approve President Barron's compensation recommendations for tier-2 executives of the University. Susan Basso, Vice President for Human Resources, provided the Committee with an extensive compensation study that benchmarked Penn State executive pay scales with that of 30 peer institutions. Based on the detailed market data and the recommendations of President Barron, the Committee approved salary increases for tier-2 executives. Those increases were also reported to the full Board during an Executive Session held earlier in the day, and have been publically released by the University.

There were no actionable items presented to the Board.

E. Committee on Finance, Business, and Capital Planning

Chairman Mark Dambly reported that the Committee on Finance, Business, and Capital Planning met on Thursday, September 18, with a quorum of the Committee present. The Committee received a risk oversight briefing regarding financial funding issues from external sources, and a financial update from intercollegiate athletics.

The Committee received the following items for information and review; Action Items k) and l) were approved by the Committee:

1. Information Items –
 - a) Lighting Upgrades for Energy Efficiency in Various Buildings, University Park
 - b) Zebrafish Core in Central Animal Quarters, The Milton S. Hershey Medical Center
 - c) Renovations to the Cellular and Molecular Physiology Chair Laboratories, The Milton S. Hershey Medical Center
 - d) Naming of 300 North Science Park Road the “Technology Support Building,” University Park
 - e) Naming of Rooms, Portions of Buildings, and Plazas
 - f) Purchase of Property in Smethport, McKean County, Pennsylvania
 - g) Sale of Gifted Property in Hazleton, Pennsylvania
 - h) Status of Major Construction Programs and Borrowing
 - i) Capital Budget Request for Fiscal Year 2015-2016
 - j) Summary and Designation of Gifts Received by the University
2. Action Items –
 - k) Summary of Revisions to Existing Scholarships, Fellowships, etc.
 - l) Acknowledgement of Endowments and Other Major Commitments

Chair Dambly continued with his introductions of Agenda Items for consideration and approval. Agenda Item 2, provided a proposal to name the new building at the Russell L. Larson Research Farms at Rock Springs Farm Family Learning Center. Agenda Item 3 provided a proposal to name the softball field at Penn State Worthington Scranton UGI Utilities Softball Field in recognition of the commitment from UGI Utilities. Agenda Item 4 provided a proposal for reauthorization to expend funds for the east campus steam plant at University Park. Agenda Item 5 provided a proposal for the appointment of non-university employees to the Penn State Investment Council. Agenda Item 6 referenced an informational report on the University's Endowment and Similar Funds as of June 20, 2014; David Branigan, Executive Director of the Office of Investment provided a report and addressed questions.

Chair Dambly called on Dr. Barron to present Agenda Item 7, the consideration of the request for 2015-2016 Appropriations for Operations. Agenda Items 8 and 9 provided proposed appointments of design build teams for a new Residence Hall at North halls and residence renovations to Findlay Dinning Commons at University Park; David Gray, Senior Vice President for Finance and Business/Treasurer, provided a report on these proposed projects. Agenda Items 10 and 11 provided proposed final plans and authorization to expend funds for the Whitmore Laboratory renovation and the Material Research Laboratory renovation at University Park; David Gray provided a report on these proposed projects.

Agenda Item 12 provided a proposed approval of articles for incorporation of a new health enterprise corporation at the Milton S. Hershey Medical Center; David Gray provided a report on this item. Agenda Item 13 provided a proposal to approve the new human resources information system for the Pennsylvania State University; David Gray provided a report on this item.

Agenda Item 14 provided a photo report on selected construction projects; the report was delivered by Ford Stryker, Associate Vice President for the Office of Physical Plant. The following project updates were included in the presentation: renovations of the Science Technology Laboratory Building at Penn State Mont Alto; renovations of the Romano Administration Building at Penn State York; renovations of the Keller Building patio at University Park; renovations of Willard Building classrooms at University Park; the west campus steam plant conversion at University Park; the Educational Activities Building at Penn State Harrisburg; renovations to the South Frear Building at University Park; renovations and restoration of Old Main at University Park; the addition of the Children's Garden at the Penn State Arboretum, located at University Park; the Beaver Stadium scoreboard and sound system replacement at University Park; and the Intramural Building expansion at University Park.

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 the Committee on Finance, Business and Capital Planning at its meeting of September 18, 2014.

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 a new building at the Russell E. Larson Research Farms in Rock Springs, PA is named "Farm Family, The Learning Center."

4. RESOLVED, That the softball field at Penn State Worthington Scranton is named "UGI Utilities Softball Field."

5. WHEREAS, the construction cost of the East Campus Steam Line project has increased by \$2.7 million above the originally authorized amount of \$13.5 million.

WHEREAS, the construction work on the project will be complete by October 2014.

RESOLVED, that the authorization to expend funds to accomplish the project is increased to \$16,200,000.

6. RESOLVED, That J. David Rogers and Gary Glynn, non-University employees, are appointed to the Penn State Investment Council for terms ending in 2017.

7. 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 2015-2016 in the amount of \$307,081,000.

8. RESOLVED, That the Officers of the University are authorized to employ Irwin and Leighton of King of Prussia, Pennsylvania, to design and build the Residence Hall at North Halls, University Park.

FURTHER BE IT RESOLVED, Final plans for the project will be brought to the Board of Trustees for approval when designed and costs have been established.

9. RESOLVED, That the Officers of the University are authorized to employ Turner Construction Company of Pittsburgh, Pennsylvania, to design and build the Findlay Dining Commons Renovation at University Park.

FURTHER BE IT RESOLVED, Final plans for the project will be brought to the Board of Trustees for approval when designed and costs have been established.

10. RESOLVED, That the final plans for the Whitmore Laboratory Renovation, as designed by Stantec, Inc., are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to accomplish the project are approved in the amount of \$31,700,000.

11. RESOLVED, That the final plans for the Material Research Laboratory at University Park, as designed by Office of Physical Plant's Design Services, are approved.

FURTHER BE IT RESOLVED, That authorization to expend funds to construct the project be approved at a cost of \$25,300,000.

12. RESOLVED, that the officers of the University are hereby authorized to execute and file articles of incorporation necessary to establish a Pennsylvania Nonprofit Corporation known as Penn State Health, and to take such other actions as are required in order to effectuate the formation of such corporation.

13. WHEREAS, The Officers of the University have determined a replacement of the existing human resource/payroll system at the University is necessary;

WHEREAS, The HR Steering Committee conducted an in-depth review of the various options to replace the existing human resource/payroll system, including a comprehensive needs assessment, cost/benefit analysis and extensive vendor demonstrations, and have concluded that a modern-day "Software-as-a-Service" technology solution will provide the greatest functionality, flexibility and scalability to the University, in the shortest amount of time and with a longer technology base;

WHEREAS, The implementation of the new HR technology solution will require the University to engage a consulting firm or other "implementation partner" to assist in the planning and implementation of such solution;

WHEREAS, the HR Steering Committee has conducted a review and analysis of the qualifications, experience and costs of potential implementation partners and intends to engage one of three highly qualified consulting firms;

RESOLVED, That the Officers of the University are authorized to purchase Workday, Incorporated's "Software-as-a-Service" HR/Payroll solution, the Cornerstone OnDemand, Inc. online training solution and such other ancillary technology services as may be necessary to replace the existing human resource/payroll system and are authorized to engage a consulting firm to assist the University with the implementation of such new technology solution;

FURTHER BE IT RESOLVED, That authorization to award contracts to complete the replacement of the existing human resource/payroll system be approved at a total capital cost not to exceed \$18,000,000;

FURTHER BE IT RESOLVED, That the Officers of the University shall have the discretion to expend up to an additional 10 percent of the approved total capital cost, as necessary.

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.

F. Committee on Governance and Long-Range Planning

Chairman Keith Eckel reported that the Committee on Governance and Long-Range Planning met Thursday, September 18 with a quorum of the Committee present. The meeting began in Executive Session in order for the Committee to receive a legal briefing from Frank Guadagnino, Associate General Counsel. Chair Masser reported that a task force to evaluate the Presidential Search will be headed by Kathleen Casey, with a report to be provided at a later date. The Committee has spent a great deal of time discussing and evaluating proposed governance changes during the past year, focusing on input from many constituencies, including engagement of outside counsel Holly Gregory to serve as an expert advisor and facilitator. During a special meeting of the Committee in August, the Committee planned to provide a report for consideration at today's meeting. Due to the need for additional deliberation and consideration of proposals, a recommendation will be considered by the Board for action at the November meeting. The Committee is recommending for action at the November meeting, therefore, by a vote of 7-1 (with Trustee Lubrano voting against) what is being termed for comparative purposes as Proposal A+. The salient changes that will be included in this proposal include the elimination of cabinet secretaries as voting members, while maintaining ex-officio status, similar to that of the President and Governor. The proposal will include the addition of six new Trustees: 1) a student trustee selected by the student body and elected by the Board; 2) an academic trustee selected by the Faculty Senate and elected by the Board; 3) the immediate past President of the Penn State Alumni association; and 4) three, at-large trustees elected by the Board. Additional modifications would include establishment of a new subcommittee on risk; changes in the process for nomination and election of agricultural trustees; new processes for supporting the nomination and election of the student trustee, academic trustee, and at-large trustees; and other technical changes to the *Charter, Bylaws, and Standing Orders*. Chairman Eckel stated that a detailed written description of all changes will be distributed to the Board in advance of the November meeting.

There were no actionable 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, September 18, with a quorum of the Committee present. Reports included information on Military Appreciation Week; updates from the Outreach Group on Governmental Affairs; the Penn State Alumni Association; Development, and Strategic Communications. It was noted that during Military Appreciation Week, Operation Game Day will be held in conjunction with the football game against Temple on November 15. Special Assistant to the President for Governmental Affairs, Mike DiRaimo, Rich DiEugenio, and Todd Bacastow, reported on plans to engage the community and University in Military Appreciation Events. Additional information about events and activities may be found at www.military.psu.edu

Kay Salvino, President of the Penn State Alumni Association, provided updates on activities; Alumni Association funding provided to the colleges, schools, and Penn State campuses to support their Alumni Relations programs and societies; and alumni engagement during Dr. Barron's presentations to groups on both the east and west coasts. Finally, she noted conference presentations provided by PSAA Executive Director, Roger Williams, and Geoff Rushton, Manager of the Social Media Office and Strategic Communications.

Vice President for Outreach and Vice Provost for Online Education, Craig Weidemann, reported on the World Campus and Penn State Public Media, two areas making significant contributions and connecting audiences around the world to Penn State. Penn State Media continues to produce outstanding work, including the recently introduced series called *Unrivaled: The Penn State Football Story*; production of men's and women's basketball games; initiatives with colleges and campuses; and Dr. Barron's new talk show, *Higher Education in Focus*. Rod Kirsch, Senior Vice President for Development and Alumni Relations, shared a survey report from the recently concluded *For the Future Campaign*; which indicates that expressed donor satisfaction and

experiences were extremely high; Campaign Chairman, Peter Tombros, will provide a report later in the meeting.

There were no actionable items presented to the Board.

Recommendations for Approval of Administrative Appointments

The Board of Trustees voted to approve the following resolutions:

Vice President for Strategic Communications

RESOLVED, That the Board of Trustees approves President Eric J. Barron's appointment of Lawrence H. Lokman as Vice President for Strategic Communications effective October 8, 2014.

Chief Executive Officer, Penn State Milton S. Hershey Medical Center; Senior Vice President for Health Affairs; and Dean, Penn State College of Medicine

The following resolution confirms the continued appointment of A. Craig Hillemeier to serve as Chief Executive Officer, Penn State Milton S. Hershey Medical Center; Senior Vice President for Health Affairs; and Dean, Penn State College of Medicine, until such time as a national search is successfully concluded.

RESOLVED, That the Board of Trustees confirms the recommendation of President Eric J. Barron to continue the appointment of A. Craig Hillemeier as Chief Executive Officer, Penn State Milton S. Hershey Medical Center; Senior Vice President for Health Affairs; and Dean, Penn State College of Medicine, until such time as a national search is successfully concluded.

Vice President for Research

With the resignation of Henry C. Foley, former Vice President for Research and Dean of the Graduate School, Neil A. Sharkey assumed the role of Interim Vice President for Research effective August 1, 2013. The following resolution removes the interim designation and confirms the appointment of Neil A. Sharkey to serve in this position until such time as a national search is successfully concluded.

RESOLVED, That the Board of Trustees approves President Eric J. Barron's recommendation that Neil A. Sharkey serve as Vice President for Research until such time as a national search is successfully concluded.

Election of Directors of The Corporation for Penn State

The Board of Trustees voted to approve the following resolution:

RESOLVED, That the following persons be elected to the Board of Directors of The Corporation for Penn State:

Eric J. Barron
Kathleen L. Casey
Mark H. Dambly
Keith W. Eckel
David J. Gray
A. Craig Hillemeier

Edward R. Hintz, Jr.
Nicholas P. Jones
Keith E. Masser
Daniel S. Mead
William F. Oldsey

Informational Report on the Advisory Council on Continuous Excellence

David Gray, Senior Vice President for Finance and Business/Treasurer, provided a report which highlighted plans for continued, University improvements, including the implementation of recommendations that were part of the Freeh Report with oversight provided by the Board. The Administrative Response Team, formed

in July 2012, has met on a regular basis since that time to ensure implementations and track their progress. The team is currently analyzing and monitoring progress of all implementation efforts, and addressing University management initiatives. Completed initiatives include: a University-wide compliance plan; a sexual assault task force; a value and culture survey; a code of responsible conduct; enhanced communications vehicles; a statement of core values; and a youth program inventory. Additionally, progress has been made in the Human Resources transformation initiative, and the access project for athletic and recreational facilities. Finally, Senior Vice President Gray noted that governance reforms and the review of University policies in continuous in its evolution.

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

Campaign Chair, Peter Tombros provided a review of the Campaign, which included a video segment recap of the closing ceremony that was held in April 2014. Total funds raised during the Campaign are in excess of \$2.1 billion, exceeding the original goal by nearly \$2 million. The fundraising effort focused on the ways in which students are impacted at Penn State, and a top priority of the Campaign focused on student scholarships. Funding from the Campaign will also benefit the recruitment of top educators and researchers, will fund endowments, and will assist in the development of facilities such as the Penn State Hershey Children's Hospital. Finally, Chair Tombros spoke about the importance of pride and philanthropy, and thanked the Trustees, administrators, and employees of the University for their support of the Campaign.

Public Comment

Seven speakers were present to share their views and visions for the enhancement of Penn State:

Theresa Malatesta, a student of the University, spoke about the Commonwealth-University Wide Coalition for Sexual Orientation and Gender Identity (CSOGI).

Katie Smarilli, immediate past President of the Penn State Alumni Association of the University, spoke in support of the addition of a PSAA alumni seat on the Board.

Rebecca Davies, a student of the University, spoke about the work of student leaders on the Council of LionHearts, Penn State's student-service leader roundtable.

Richard Kutch, a Penn State Football Fan, encouraged the inclusion of teams on the field prior to the playing of the national anthem.

Stevie Berberick, a student of the University, provided suggestions for the mitigation of sexual violence through education, greater psychological resources, and coalition building.

Samuel Bernstine, an alumnus of the University, expressed his gratitude for the progress that the University has made in 2014, including top-level appointments, improvements in academic and financial status, and the commitment of the Alumni Association.

Antone Aboud, a faculty member, spoke in support of the statement on civility signed by all of the members of the President's Council and asked stakeholders to focus on pursuing the University's mission, not deflecting the Board's energy in seeking revenge for decisions made in the wake of the Sandusky scandal.

Announcements by the Chairman of the Board of Trustees

Chair Masser called for other matters to come before the Board. There being none, the meeting was adjourned at 5:39 p.m.

The meeting is available in its entirety at https://www.youtube.com/watch?v=V_2Lo_wgty0

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
September 19, 2014

"As I begin my report, I'm reminded of the fact that I said that I was going to spend time talking about each one of the six major issues that I proposed at my very first meeting and that doesn't leave a lot of time to talk about the individual good things that have happened to the University and to our faculty. And so, at your table is a *Penn State News and Notes* so that each Board meeting you will have a little bit of brag sheet on wonderful things that are going on in the University.

"The next thing that I'd like to show you is a little video that is a new institutional message. My view on institutional messages is that nobody watches them, and that they post them on YouTube and you get 36 hits. And part of it is because they're the same, where you have students walking through the gate of the University; you have an obligatory shot or two that demonstrates that your international University is populated by students from all over the place; and someone is wearing a lab coat or pouring from a beaker as the universal symbol for doing research. And so, people get up and go get a beverage. So our thought was, let's do something a little fun, and here is the product. It is produced by our University Marketing Office and Penn State Public Media. It will be shown this weekend on the Big Ten network and in the future as our public service spot for football and basketball games and will also be shown as part of media buys. So let's see what you think. [Video shown]

"So, we'll see how that goes and hopefully you enjoyed it. I must admit, I've watched it over, and over, and over again, and keep looking for 'is that the right word?' and 'is this is the direction we should have gone?' But anyway, I think it's fun. It's produced by our wonderful people that work here and hopefully it will begin and you won't get up and get that beverage and instead you'll listen to that inspiring message about how we at this institution are connected for life and we leave our mark on the world.

"Next I would like to take topic number two which is Economic Development and Student Career Success. Here is the idea. We have 800 million plus in annual research funding every year since 2011. It's a big number. That places us, depending on the year, 17th, 18th, 19th, in terms of the total funding that we received among all universities in the country. But we rank this last year 62nd in getting licensing income; that doesn't match up with 17, 18 or 19, and as a matter of fact, if you look at Minnesota, which has almost the identical research scholars, their invention disclosures are tripled what ours are. So here is an opportunity for us to think. Now, a lot of people might say, 'OK, so why aren't we a little bit more like Stanford? Forget Minnesota. Stanford is famous for start-ups and economic development.' But of course they're a private, and so you're not going to hear about any of their failures. At a public University, you've got a little bit more of an issue to think about, and so some people and some publics are behind in this enterprise, but my feeling is that what this means is we just have to have a different attitude about it, and we can be really transformative in what we do. So, this is my objective. Our objective is to be transformative in this space of economic development and student career success. So I'm going to go over a few thematic areas: creating a culture of entrepreneurship; promoting patents and licensing; working on investing in innovation; economic development at University Park and the Commonwealth Campuses; embedding student career success in the curriculum and in advising; and advancing their career readiness through the Career Center. What you're going to see is a menu that basically describes what it would be like if Penn State University had the full complement of focus on economic development. And then you'll see under that examples of places where we're playing in that market, sometimes in a college, sometimes at a broader level. You'll notice that there are gaps. You'll realize that we're not quite comprehensive but we have a menu, and then also on the slides are areas that we will be requesting from the Commonwealth for support in our budget request and you'll hear a little bit about that in a moment.

"So first, creating a culture of entrepreneurship. This is what I would imagine. Suppose if every student from every major had access to basic courses in business. So if you came out in any field, I don't care whether you're interested in law, anytime you're going to hang up a single, anytime you're sitting there coming out of science and want to start a company, have we as an institution since we know so many of our alumni do this, are we as an institution enabling those students by providing them access to those types of courses. So, in italics, the things that we are doing, well we have a new intercollegiate, intercollege entrepreneurship minor. There are seven clusters. It talks about the mindset. It talks about what it means to create new ventures. It's engaging in entrepreneurial space. The College of Business is proposing a certificate program that gives access to business courses from other majors. Engineering has a couple of different programs in entrepreneurship. The Farrell Center for Corporate Innovation and Entrepreneurship, similarly. In Liberal Arts, there is a Business-Liberal Arts course opportunity for some of the space, it provides an opportunity for a set of student. There's even a proposal now in law for entrepreneurship in law. So here are a lot of different pieces, but the idea is to step back and make sure that every student, regardless of what discipline, has access to those courses and are successful. And I can't think of anybody that's not benefited for this. You take the art student who has to market themselves or they will do it for fun rather for a living. I can't think of any major that's not advantaged by this.

"The second part of creating this culture of entrepreneurship, I go back to a phrase that I don't know its origin, but it's every great inventor needs a great entrepreneur in order to take a product to the market. And what we see over and over again is someone coming up to us, to me, to somebody else and saying, I just don't understand your faculty. I know they have this great discovery that's sitting there and they just don't sit there and think about how we could partner and create great avenues out of this. Well, the problem is that if you're a chemist, in your DNA as a chemist because you find something exciting, and your immediate reaction is to find out now what's behind door C if you found something exciting behind door B. And so, you're asking this person that's exploring this area to lift up their head and say, 'I think I'll stop exploring chemistry, my deep love and take this to the marketplace.' It doesn't happen very often. So the idea is to create partners as part of this culture of entrepreneurship. So in this case, what we're proposing is to hire entrepreneurs and residents, people who have been there, done it, created companies, marketed the licenses, done products. It might be from engineering and end up back at an engineering college. We want to see this at Commonwealth Campuses not just at University Park, and now imagine this opportunity where the faculty are rubbing elbows with someone who's been there and done it and been successful. And now that burden isn't just on that faculty member to lift their head up from what they're doing but instead, they're having conversations with the fellow faculty member who contemplate this as an opportunity. Now there are some--also, just think about what this might mean for students. Because now, you've got a large cadre of people that are professors who have practiced, and entrepreneurs and residents that start to build thoughts about the curriculum to support students. So we have the beginning, Arts and Architecture, hiring an entrepreneur in residence there. The law school is looking at this as a possibility. And so, one of the things you'll see with our budget request is that we will be asking the state to support us in an effort to hire entrepreneurs and resident within the Penn State system.

"Also part of this is a notion of creating other partnerships. And I wrote this rather generally, but imagine now we're going to fund these projects. And so, I'm going to take undergraduates from the College of Business deeply interested in taking things to the marketplace, and I'm going to partner them with faculty or perhaps more centrally, graduate students from some of my other fields, say physics or chemistry or materials. And they're actually proposing projects by which we linked these two people, those with the idea and those with the desire to take it to the marketplace; fund them as an opportunity to promote this level of partnership within our University. Now we have some of these in terms of a health challenge and in the College of Science, there is actually an IP intern that is supposed to think this way, and they're working on the notion of tech transfer liaison that will help support this.

"Consider the same cultural part in presenting the opportunities for students. Do we enable students to be entrepreneurs? My experience is over and over again, that students who want to be entrepreneurs, one of the first customers they imagine is a fellow student. Now imagine, and I would just use this example that someone comes along and says, 'you know, students have a fair amount of money and they don't like to do laundry and I'm going to come on the campus and go into the residence halls and I'm going to collect laundry. My business will be booming during finals week and midterm week. I'll collect laundry and return it and charge the students a fee and they won't have to go down to the laundromat when they're studying. Or this is just a comfort factor.' And the first thing that happens is they have to go to Damon Sims and say, you know we would like access to the residence halls. Well, they probably didn't go to Damon Sims. They went to the head of Residence Life and they went, 'Oh my goodness. We're going to let students that don't live there into these rooms?' And it bumps up to Damon because the head of Residence Life doesn't want to create an exception that open something completely different and Damon's reaction is 'you know, that's very interesting but I think you better go to legal counsel, because I'm sure there are issues like liability and other things that you might not have.' And so they do that and they cover the liability issues, and the General Counsels says, 'you know, there may be other contracts within the University that you have to think about that preclude us from creating this partnership with you. I think you better go see David Gray as VP for Finance and Business and ask him whether there are other contracts.' No, no, no, no, and we'll always want to say no. So are there ways to say yes to student entrepreneurs? Can you set up a student foundation outside of the University that sits there and go through all the issues and then says to the administration, 'this one is serious, this one we'll green light because they hit all of these markers.' Something to think about. We certainly have some college level support for entrepreneurship but no student foundation that might support innovation.

"Continuing this notion of creating the culture of entrepreneurship, can we develop a better reward structure for our faculty and staff so that when they do this, they get rewarded for it? Can we do this in a way where part of our very strong efforts in media presentations is to be excited about what our faculty have done and created? We know that in all our performance reviews, if you do a patent that's sitting there, but do we have the type of a reward structure that enables faculty to sit there and focus and say, 'my University really appreciates the fact that I cross this boundary.'

"OK, second topic, promoting patents licensing and start-up. How about IP fairs? Where is the institutional wide IP fair that takes all this tremendous IP that's coming out of all these creative enterprise, and \$800 million plus research, and is putting it out there for people to take a look at it. And do we have the competitions by which we are actually picking winners and giving them a sum of money, \$50,000 say that is the start of them being part of a company? And my sense is that IP fair should be there, and those funds should be there, so you're doing five, ten of these awards every year so that you're enabling and rewarding and kick starting all of these ideas. Now, we have some internal competitions in engineering, agriculture and ISD. We have a fund for innovation. The Ben Franklin has some IP fairs. We don't have a universal one. The sums of money outside of Ben Franklin are very small or sometimes non-existent in this IP fair. We can do better. Can we amp up the Office of Technology Management with resources and processes to actively promote licensing and start-ups? There are several components that are listed there. It's very important to realize that we're in a process of trying to attract new hires. But the people that do this, in the example of Minnesota, are many more people in that office enabling faculty than we have within this institution? So these too will be part of our budget request to the Commonwealth is to ask them to help us support the individuals that help move this intellectual property into the marketplace quite deliberately. Here's another part of this particular theme. Can we create a Penn State branded platform? And essentially, this comes in a format that Angel investors and venture capitalists recognize it as a description that gives them sufficient information to decide to make an investment. Now imagine this platform that's sitting there, and I open it to my community perhaps. Or more importantly, I open it up to my alumni so that any alumni signed up for this, are signing up to look at the intellectual property coming out of Penn State and they have an opportunity to invest in our faculty students and staff who are creating these ideas. Just think of the different picture, an alumni would have at Penn State, if they're constantly seeing all these great ideas that our faculty are producing. A completely different opportunity and a first

step to get an investment. And in doing this with the national entity but Penn State branded so that when you reach a particular point, a certain amount of time where you've opened up that window, you opened it up to the community of Angel Investors and Venture Capital is all about the world. And there are platforms that do this. So we just have to hook on to one of those and have it Penn State branded and all of a sudden, we're putting the creative ideas of our faculty and staff and student, out there where they have access to capital. I'll tell you, in interviewing students that have started companies over and over again, they say, 'I don't know how to get capital. I don't know how to get capital. Do I just go to a bank? How do I do this?' Same type of topic. Do we have the transitional spaces that allow someone to do this? So we have something like called New Leaf here, and New Leaf is an opportunity to get some mentoring, and New Leaf is an opportunity to have some space to begin. And then we leap to Innovation Park between cost per square foot and pass through cost \$31 square foot. How many young companies can manage that? And what happens is you go from New Leaf to your basement. Can we set this up so not only do we have the New Leaf and a boot camp, and not just here but outside of other campuses? Can we have that where it isn't just a little bit of mentoring there are people there that have access to venture capital and investors and there's free legal aid that occurs there and mentoring on starting a business. Now, Penn State does that. It's a public entity that's all of a sudden in the midst of this investment and when we fail, we may not get the best press in the world. On the other hand, if this company is--if this entity is created with your community and what Penn State is doing is providing support for that staff in order to guarantee seats for Penn State faculty staff and students to sit there, then we're not putting this at risk, we're an enabler with our community to be doing that. So, imagine if we are consciously thinking about that type of space as a beginning and then the space that \$6 square foot, all the way up to \$30, then all of a sudden we start to create a much more entrepreneurial culture here. There's a lot of resources out there that only corporate entities can go after, including a lot from small business. In which the funds that you get in phase 1, 2, and 3 are to help take an idea and move it to a product. Universities don't have access to it. Is there any reason why we shouldn't have an entity outside of us that can write those proposals and we feed that entity good ideas that need some extra support so that they can go after SBIR funding as just an example? We ought to be able to contemplate that as another avenue because if you get past phase 1, phase 2 proposals are quite successful and it's quite a bit of resources.

"Investing in innovation is the third topic. This is a deliberate effort to identify areas that have economic potential as part of your hiring process. A deliberate effort to say, this is an area that can stimulate the economy in my region. This is an area that is very close, much closer to the marketplace. This is an area that's at a frontier and we're actually consciously thinking about doing this. And can you do this region by region? So that you're looking at Erie and having one thought, and Altoona at another thought, and UP a different thought, but consciously thinking about what would be successful in the marketplace around your campus? So, we have a high level of corporate funding. We have a high level of corporate hiring. We have a small business development center but this too is part of our budget request to the Commonwealth because we would like to target specific areas which is in the budget request that you will approve later that we know have workforce implications or economic development implications. I want to make sure that we're consciously thinking about this at UP and at Commonwealth Campuses. Not at one spot, but every place in this state. And my view is that every one of our campuses should be actively involved in economic development councils and chambers and community efforts within their communities. I will tell you my experience, I have to go into every single campus, that kind of commitment and interest is there and you very frequently see these individuals come to their meetings because they know how important the Commonwealth Campuses are to their community. But are you really consciously thinking about being a member or about driving economic development? And can we be deliberate in that process, in the incubating start-up companies, in helping to recruit companies based on our intellectual property especially if we can target companies by particular regions? So I put here we're promoting this and challenging this because I said to myself that 'here I am, the President of major workforce generator in the State of Pennsylvania and I was a President of some other institution for which I was major workforce generator.' But I never got a call asking me if I would call a company that we

wanted to recruit. University leaders should be actively engaged and partners with the Commonwealth and with their region on recruiting companies. There is no reason why, as a matter of fact, I think if Presidents of the universities are calling up companies that are thinking about this state, I think they would be astounded to have a President call and say, 'what are your workforce needs because this is a University that can do anything.' I also like thinking in terms of our role in making our communities a destination. So, we're not just thinking about the area in terms of a company that we recruit but we're actually thinking about how it is that we create a sense of community that attracts people here in an entrepreneurial culture as well.

"The last part of this is a notion of embedding career success in the curriculum with advising that and the Career Center. And the reason why I bring this up is because I've heard a lot of people and there's a national discussion that you really only need two metrics to judge a University: 1) do they get a job?, and 2), how money do they make? OK, this is kind of tough. Don't offer a degree that you don't have a job in. Now, the problem is, I get a Nobel Prize in economics if I could predict the job market five years in advance. That's one component of it. And I actually had an experience here where I was asked by the Board when I first became the Dean of the College of Earth and Mineral Sciences, that there weren't enough students in petroleum and natural gas engineering, and didn't I think it would be a good idea to shut it down? Now we all know why it is that it's a good thing that we didn't shut down that program, and so you don't make decisions on short term job market. You make decisions on excellence and potential. All right, so, we also don't tell the American consumer. When a young man goes and tells dad, and dad thought he was going to be an engineer and he picked some completely different major and the father calls up and says, 'can't you do something about this? I expected an engineer.' I won't pick on a particular discipline that this young man decided to go pick, but we don't tell students what it is that they should study. I also had personal experience in the Soviet Union as a graduate student. We're lucky to be there, talk to young man, married to the Vice Chair of the Soviet Academy of Geological Science. All he talked about was botany. Had to go see the agricultural exposition in Moscow. Incredibly important. And I said, 'so, you're a botanist.' And he said, 'No. I'm a pediatric dentist.' And I said, 'Oh, it sounds like you're one--you're a botanist.' He says, 'Well I've always wanted to be botanist but the state told me they needed dentist not botanist.' And my conclusion walking around the streets was the Soviet Union had the worst dentists in the world because none of them wanted to be dentists. The key here is to connect requirements, passionate, smart students with really passionate smart faculty. And if you're passionate and you're working hard you will end up with great opportunity. That's not the model that we want is to sit there and tell students. Plus not every student is in there for the money. At the same time, I have to listen and we all have to listen to that conversation coming out of the recession on how important jobs are to our students and making sure that we are very conscious of that career element. So my view is, have the students have their eyes wide open when they pick a major. Don't tell them what to study. Have their eyes wide open. What are the job titles that come out of a particular degree and at what level? What types of employers might you find? What is the national salary data even though it won't be true in four years? What's the national salary data? And in particular, and most key, is to focus on the success rate of our students. You're a major in this discipline. This is what's happened to our students. These are the jobs they get. This is the success story they have. Every liberal arts college out there is taking a liberal arts degree and drawing all these lines to careers talking about how successful their students are. Aid that in engineering requires you to track where your students go and to say where you go. We can do it for a lot more majors. I call this eyes wide open instead of, I'm going to dictate to a student what it is that they should study. We need to make sure that career success indicators are embedded in the curriculum. Employers tell us that experiential learning and critical thinking and communication skills are absolutely critical. The good thing about this institution is everything single business magazine says this is a place to come to recruit and get a good salary. We must be doing this well but is everybody doing it well? This is something to consciously think about in terms of the student experience. Can we make sure that when we're looking at particular careers out there and the new careers are evolving that we know we've got a map of the knowledge and skills they need in order to be successful? Common but is it universal. Part of the idea here, and the reason why I did economic development in student career

success, is this is an opportunity to connect students to jobs. If you're doing cutting edge research and creative activity and you are creating start-ups. And you are attracting companies and you're spinning off all of these ventures and you're training those students at that same cutting edge. You are basically placing your student straight into jobs in the state of Pennsylvania. And actually I don't care. They can go anywhere. We just want to our students to be successful but you are creating a path of innovation into economic development and the students you train are following the train right behind them as you go forward. So this is an opportunity to consciously think about those elements of coupling economic development with student career success. And again we've got opportunities that go beyond the traditional educational environment as well. Let's also make sure we've got the finest career center in the world because this provides a strong programming for interviewing, resume building, career guidance, job fairs, partnerships with alumni. Now we're number one, but what I like about the Student Career Center is they know they're number one, and what they're interested in is being better. So you now see here what you should view as menu, end-to-end of all the things Penn State might do to move from the point where we're bragging about our economic impact, to the point where we're driving the economy of our regions, our state and rest of the nation. And our objective should be to drive, not just to multiply the number of employees and grants and contracts and expenditures by a factor, to say what our impact is, which is large. We have many existing elements. There's a lot of flowers blooming around this institution. What we want to do is to move all of that into a program that is much more comprehensive, much more serious and truly fills the gap that we have and strengthen those programs. So that when we come and talk to you, we'll be adding new metrics, the number of start-up companies that we have, the number of licenses, and we won't be talking about being number 62. We'll be talking about if our research expenditures are 17 that are economic drivers are a number closer to 17, if not less.

"Mr. Chairman that concludes my report and if you wish I'm happy to take questions on that topic.

[Dr. Barron responded to questions and comments from the Trustees]

"Thank you for your time."

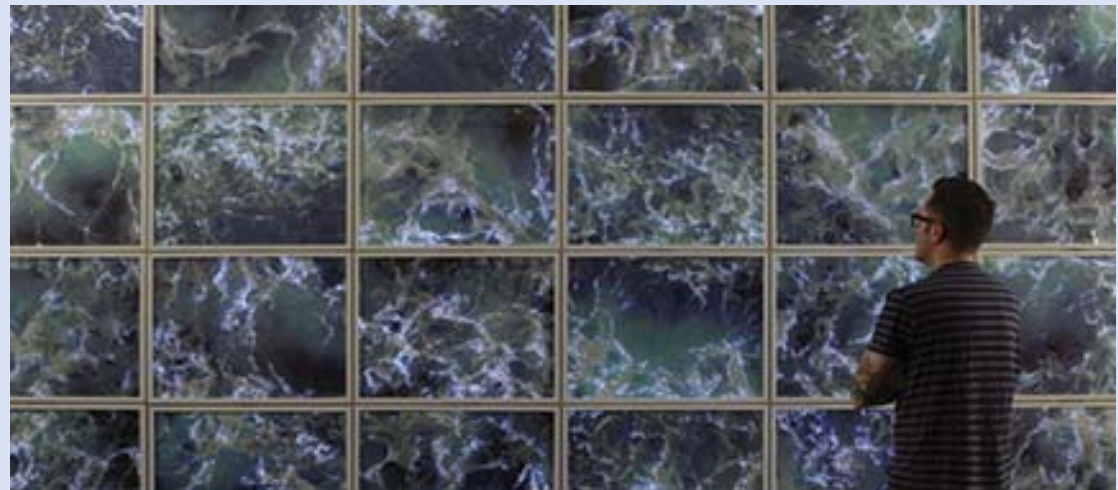


Economic Development and Student Career Success

September 19, 2014

Penn State

- **\$800+ million in annual Research Funding since 2011**
- **62nd in Licensing Income**
- **Why aren't we more like Stanford?**
- **A major opportunity to be transformative**



Thematic Areas

- **Creating a Culture of Entrepreneurship**
- **Promoting Patents, Licensing and Start-ups**
- **Investing in Innovation**
- **Economic Development (UP and CCs)**
- **Embedding Student Career Success in the Curriculum and Advising**
- **Advancing Career Readiness through the Career Center**

Creating a Culture of Entrepreneurship

- **Open Smeal College of Business to other majors**
 - **Value for any/every degree if matches student interests**
- ***Penn State Intercollege Entrepreneurship Minor – 7 clusters***
 - *Engaging, mindset, new ventures*
- ***College of Business Certificate program (proposed - any major)***
- ***E-SHIP and CEDE in Engineering***
- ***Farrell Center for Corporate Innovation & Entrepreneurship***
- ***Business-Liberal Arts minor***
- ***Entrepreneurship in Law (proposed)***

Creating a Culture of Entrepreneurship

- “Every great inventor needs a great entrepreneur to take a product to market.”
- Allow a chemist to be a chemist
- Hire professors of practice with experience in developing products and building companies (every college)
- New educational opportunities for students
- *Penn State examples (Arts and Architecture; Law School)*
- *Budget request from Commonwealth of PA*

Creating a Culture of Entrepreneurship

- Create successful partnerships between inventors and potential entrepreneurs within the university
- Fund projects that connect faculty/students from different areas (e.g. business and materials)
- *Some examples – Health Challenge
Sci IP Intern, tech transfer liaison*



Creating a Culture of Entrepreneurship

- Create a student entrepreneurship program and student innovation foundation that enables student entrepreneurship
- Natural barriers
- Foundation support that green-lights student companies
- *Penn State: no foundation, but student support for entrepreneurship in some colleges*



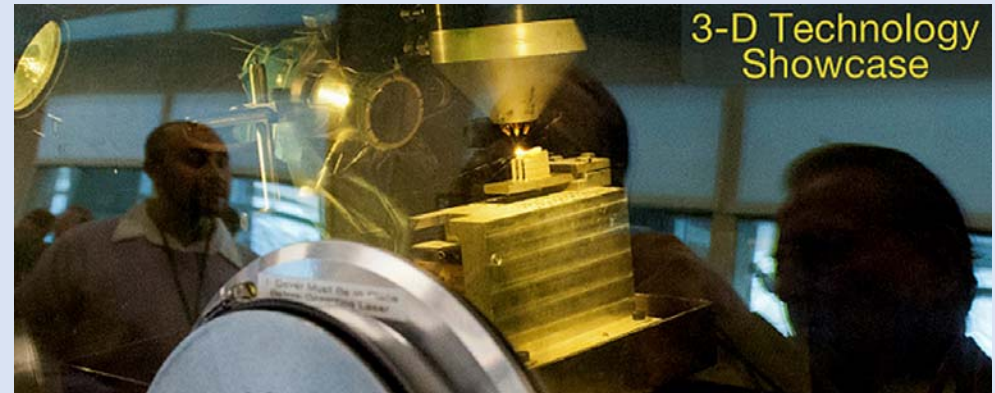
Creating a Culture of Entrepreneurship

- Develop a reward structure for faculty/staff for entrepreneurial activities and success
- Promote greater media coverage of our successes
- *Penn State – part of annual performance reviews*



Promoting Patents, Licensing, Start-ups

- Expand upon IP fairs that attract investors/partners
- Incentivize translation of ideas into products and services: competitions with financial rewards that identify/support potential licenses, new processes and start-up companies
- *Penn State: some internal college competitions (engineering, agriculture, IST)*
- *Fund for Innovation*
- *Ben Franklin IP fairs*



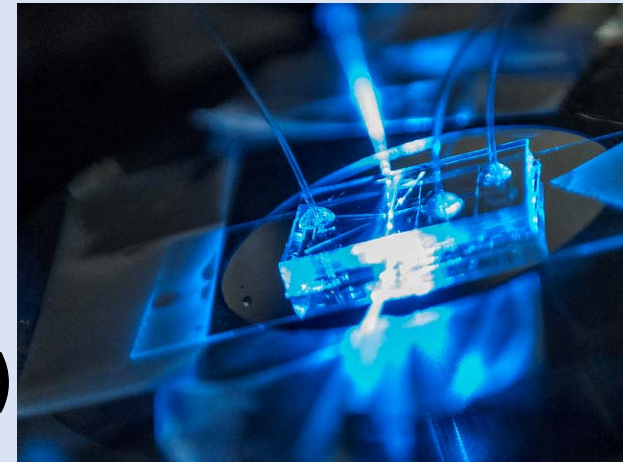
Promoting Patents, Licensing, Start-ups

- Provide the Office of Technology Management with the resources/processes to actively promote patents, licensing and start-ups
- *Penn State: AVP for Research and Technology Transfer; Ben Franklin Technology Center; Commercialization*
- *New hires proposed*
- *Budget request from the Commonwealth*



Promoting Patents, Licensing, Start-ups

- **Create a Penn State-branded platform designed to attract angel investors and venture capital**
- **Format that meets investor expectations**
- **Cascade of groups**
 - **Local**
 - **Alumni (enhancing relations/opportunities)**
 - **Broader world**
- ***Ben Franklin partnership; Sci Biotech Board***



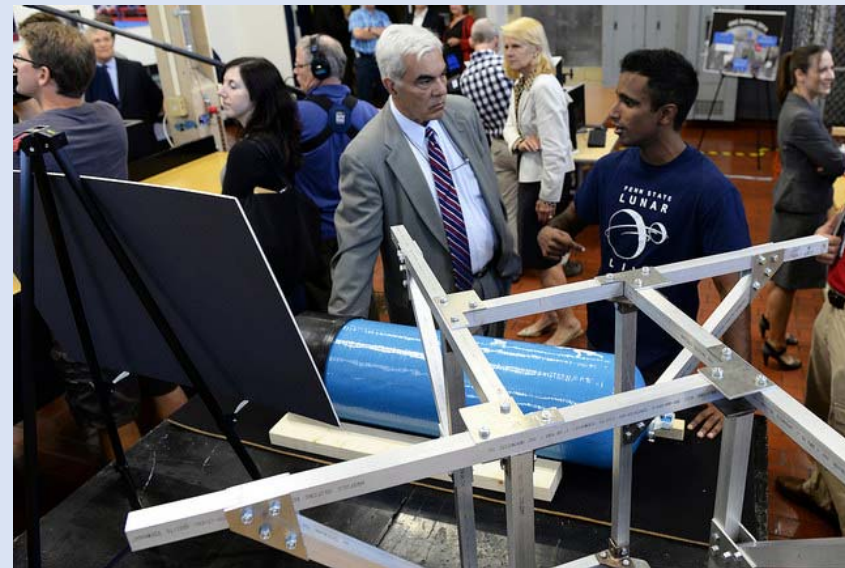
Promoting Patents, Licensing, Start-ups

- Create a variety of transitional spaces for start-ups: from a desk in an environment with mentors (start-up, legal, financial, investors) to space that enables different levels of growth with appropriate lease costs
- *CBICC, New Leaf (limited mentoring, time) and Innovation Park (\$30+ per square foot)*



Promoting Patents, Licensing, Start-ups

- Develop external enterprises in partnership with communities or as stand-alone entities capable of attracting product development funding from the federal government
- Set up a corporation designed to attract small business funding

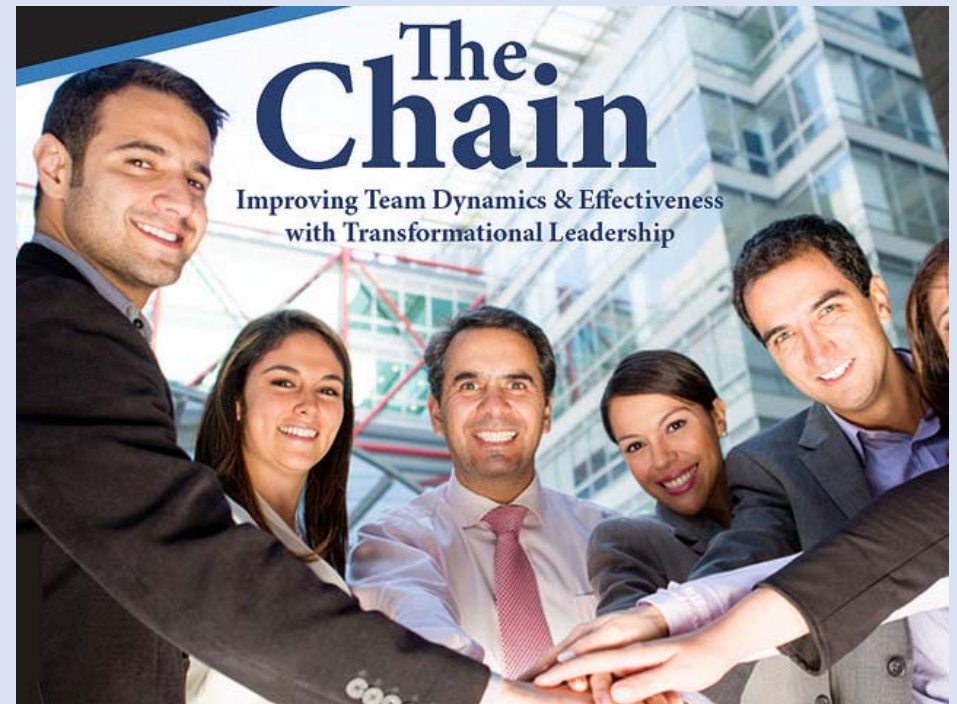


Investing in Innovation

- Identify/fund areas that have economic potential, particularly if they have the added benefit of stimulating economic development at any campus
- Identify/fund areas that will create market growth and career opportunities for students
- *High level of corporate funding; hiring*
- *Penn State Small Business Development Center*
- *Budget request from the Commonwealth*

Economic Development (UP and CCs)

- Participate at a high level in economic development councils and chambers; community visioning
- *Penn State: almost universal desire across PA*



Economic Development (UP and CCs)

- Incubate start-up companies and help recruit companies based on PSU intellectual property and workforce creation
- Target areas of growth in alignment with potential by region
- *Promoting and challenging the State, Chambers, etc. to enable our participation and partnership*

Economic Development (UP and CCs)

- **Help transform the region as a destination/community that attracts businesses**



Embedding Student Career Success in the Curriculum and Advising

- **National discussion: need only two metrics to judge a university – jobs and \$\$**
- **Difficult to predict the job market**
- **American consumer: we don't tell our students what they are allowed to study**
- **Lessons from the Soviets**
- **Not everyone is in it just for the money**

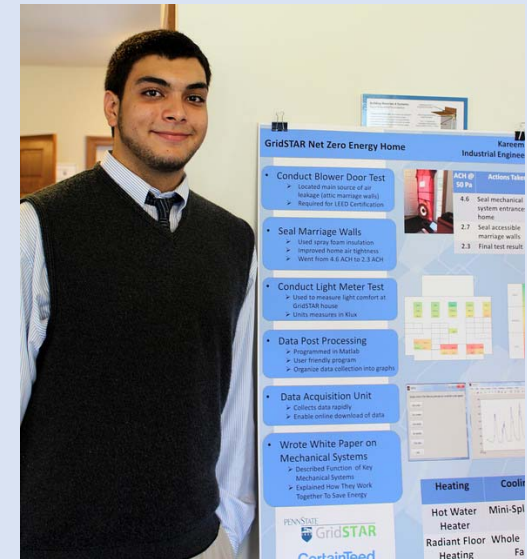


Embedding Student Career Success in the Curriculum and Advising

- List job titles by degree level, types of employers and national salary/employment data on every major
- Focus specifically on identifying the success record of our graduates as the strongest indicator of student career success
- *Requirements by ABET*

Embedding Student Career Success in the Curriculum and Advising

- Help ensure that elements of career success are embedded in our curricula (experiential learning, critical thinking and communication skills)
- *Nearly every business magazine survey places Penn State at or near the top in starting salaries or cites Penn State as the place to recruit*



Embedding Student Career Success in the Curriculum and Advising

- Help students make meaningful choices through a map of the knowledge, skills and abilities that occupations require and ensure that we align these with various degree programs
- *Penn State: very common, but universal?*



Embedding Student Career Success in the Curriculum and Advising

- **Connect students deliberately to opportunities for economic development created through Penn State IP**
- **Teach at the cutting-edge and promote economic development at that same cutting-edge**
- **Career training**
- **Advance and combine World Campus corporate partnerships with resident instruction and internships**



Advancing Career Readiness through the Career Center

- Promote strong programming for interviewing, resume building, career guidance, partnerships with alumni, to take career success to a higher level
- *Penn State: highly ranked Career Center - No. 1 by Princeton Review*



Endnote

- **Objective: Create a powerful path that enables PSU to be recognized as a driver of economic development and student career success**
- **Many existing elements (many missed in this presentation)**
- *Goal to fill the gaps and create a comprehensive program*
- *Change in direction in appropriation funding request*



Questions?



Remarks from Provost Nicholas P. Jones

Meeting of the Penn State Board of Trustees, University Park

September 19, 2014

"Good afternoon. I'm very pleased to have the opportunity to speak with the Board on a regular basis. As the University's Executive Vice President and Chief Academic Officer, I look forward to highlighting some of the key issues that impact Penn State's mission components of teaching, research and service. In my role, I see things a little differently from others you hear from on a regular basis, and so I hope my presentations will lead to further discussions beyond our meetings.

"There are many topics for me to present and discuss, but I'd be remiss if I did not begin today with a focus on what is unquestionably the foundation of this institution—that is, our people: our faculty, students, staff and alumni. Last year, when I interviewed for the provost position, in my final conversation with Rod Erickson, Rod asked me about my impressions of the University. I told him that what stood out the most was the commitment and passion of Penn State's people. I was right. And over the last year, countless interactions have strongly reinforced that impression. I want to take this opportunity to share some of these impressions. Consider our faculty.

"Faculty teach, advise, mentor and inspire about 98,000 students and are the force behind our more than \$800 million in research expenditures and our consistent performance in national and international academic rankings. This year, 253 new, talented, full-time faculty members joined Penn State. They came from around the globe, representing top universities, such as Duke, Michigan, Illinois, and MIT. To advance at Penn State, these faculty will need to excel in three areas: teaching, research and service. All three components are core to our mission and all are critical factors in the education of our students. And our faculty is successful here across many dimensions. This slide shows how many faculty members successfully navigated our rigorous promotion and tenure process in the last year. In addition to our full-time, tenure-track faculty, Penn State hires faculty on part-time and fixed-term appointments, and these faculty, too, provide outstanding service for us.

"Penn State faculty members are well represented in terms of receiving national awards and recognitions in the American Association for the Advancement of Science and the National Academies. We also have academic leaders in nearly every association, industry council, editorial board and professional organization. The list is long and the recognition is well deserved. Notably, it's not just about the names you recognize like Richard Alley, Masatoshi Nei and other outstanding faculty who are receiving international acclaim for their accomplishments. I'd like to show you a brief video about some of our faculty who are actively and passionately changing lives . . . those of our students and others on a daily basis. Their activities go way beyond the traditional classroom.

[Video Shown]

"Across all our campus locations, our faculty deliver: Big time. They work side-by-side with our students and transform the way we deliver education. It's a big part of what makes Penn State special, and of course a big reason why so many students want to come to Penn State, and are successful when they graduate.

"And speaking of students, I've been impressed by the achievements of so many of these extraordinarily talented young men and women. We just learned this week that this year's youngest MacArthur Fellow earned her undergraduate degree in Physics from Penn State in 2004 and was a Schreyer Scholar. Danielle Bassett is now an assistant professor of bioengineering at the University of Pennsylvania where she studies how our brains learn; though it sounds as though she's figured out some of that already. This is a wonderful recognition that powerfully demonstrates the strength and potential of our students.

“About 4 weeks ago, we welcomed about 8,500 new first-year students to University Park and 8,600 to the Commonwealth Campuses. Here’s a bit of what we know about our new class of 2018:

- They are academically distinguished: For example, 304 students were selected from more than 3,000 applicants to be part of the Schreyer Honors College.
- At University Park, 76% of our students attended public schools; 19% attended private schools; and 5% attended charter schools or were home schooled.
- They’ve come to Penn State from 67 countries and every state except Mississippi, New Mexico, Wyoming, and North and South Dakota.
- We welcomed 250 new student athletes who will be competing in our 31 varsity sports.

“Approximately 1,600 new World Campus undergraduate students also began this fall, representing all 50 states and more than 70 countries.

“We are also proud of our graduate students and their contributions to our academic and research mission. Penn State enrolls about 8,000 graduate students in residence and 4,200 graduate students in World Campus-delivered programs, as well as about 1,000 medical and law students. Our graduate students receive graduate assistantships and prestigious fellowships, both University Graduate Fellowships, and external fellowships from the National Science Foundation, Ford Foundation, Smithsonian, and other highly competitive awards. In addition, in a typical year, about 470 postdoctoral scholars and fellows support our research enterprise. These scholars and fellows, and our doctoral students, are core partners with our faculty and research staff in generating Penn State’s considerable research accomplishments. We wonder, who among these undergraduate, graduate, professional students, and postdocs, will be the MacArthurs of tomorrow.

“One thing that also struck me in my first year was seeing, first-hand, Penn State’s staff working behind the scenes to keep the university running smoothly. Whenever we celebrate our enrollment success, our student placement rates, research enterprise, or fundraising results, you know that members of our staff are hard at work. And our staff is incredibly loyal – the 235 retirees whom we honored last May had collectively spent almost 6,500 years at the university. That’s an average of 27 years each! They’ve also done some other work that you might not have thought about. Every year, Penn State’s Creamery produces enough ice cream for 2.5 million cones; our Bakery makes more than 6 million doughnuts and more than 15 million cookies. Our Physical Plant staff plants about 30,000 annuals, cleans more than 742 buildings, and maintains about 35 miles of paved roads and 60 miles of paved walkways, which incidentally helps us all walk off all those doughnuts, cookies, and ice cream.

“University Park visitation programs for prospective students welcomed more than 48,000 visitors last year. The programs involve Admissions staff, as well as college staff and faculty, student tour guides, and alumni volunteers. A tremendous coordinated effort.

“Speaking of alumni, it’s no secret that we have the biggest and best Alumni Association in the world with more than 174,000 members out of over 600,000 living alumni, including many of our Trustees. Next month, we will honor 21 Penn State alumni with the title of Alumni Fellow, the highest award given by Penn State’s Alumni Association. Our alumni are across-the-board active, involved, and connected to nearly 300 affiliate groups around the country and around the world. Alumni serve on advisory groups and mentoring programs at all our campuses. They are, and will always be, one of our biggest assets.

“I’ve thought a lot this year about what it takes to make new students or faculty or staff, or even a new Provost feel at home at a Penn State campus. It’s not just the buildings and classrooms, the annuals, the roads, or the ice cream, although those are important. It’s our people, from the student tour guides to the academic advisors, servers in the cafeteria, members of our Board, staff assistants, and members of our faculty. I’ve worked at other institutions and I can assure you that Penn State’s people are something of whom we can be especially proud.

As you travel around our campuses, not to mention the planet, and interact with Penn Staters everywhere, be sure to notice their contributions and join me in thanking them for their impact and their Penn State pride.

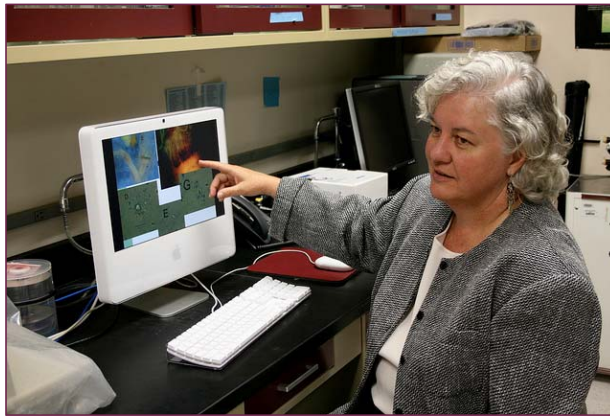
PROVOST'S REPORT

NICHOLAS P. JONES

BOARD OF TRUSTEES, SEPTEMBER 19, 2014



PENN STATE FACULTY



2013-14 PROMOTION & TENURE

2013-14 Promotions

Rank	Total
Professor, Librarian, Senior Scientist	52
Associate Professor, Associate Librarian, Senior Research Associate	79
Total	131

2013-14 Tenure

	Total
Immediate Tenure	35
Tenure through P&T Process	85
Total	120

140 – 150 faculty dossiers reviewed per
year by University P & T Committee

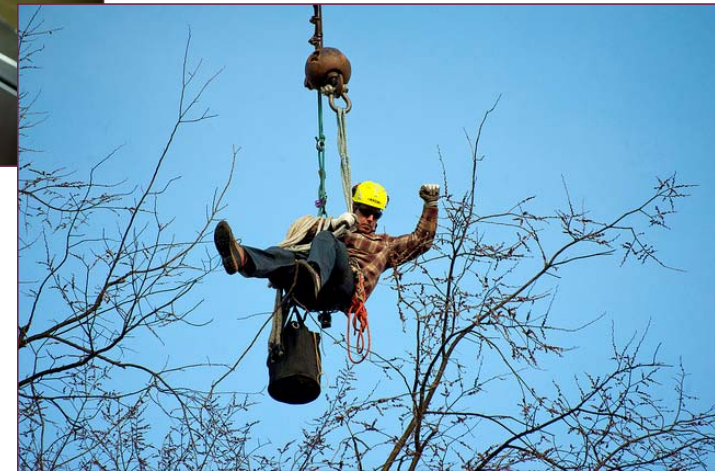
FACULTY VIDEO

STUDENTS

- Academically distinguished
- 304 selected for Schreyer Honors College
- At University Park:
 - Public School 76%
 - Private School 19%
 - Charter or Home Schooled 5%
- From 45 states and 67 countries
- 250 new athletes



PENN STATE STAFF



SPEND A SUMMER DAY



PENN STATE ALUMNI



