

GOVERNANCE PROPOSALS DISCUSSION DRAFT: PRINCIPAL TERMS

Current Status	Proposal A	Proposal B	Proposal C
Board Size			
<p>30 Voting <u>2</u> Non-Voting 32 Total</p>	<p>27 Voting <u>5</u> Non-Voting 32 Total*</p> <p>*after end of transition period described below</p>	<p>27 Voting <u>1</u> Non-Voting 28 Total</p>	<p>18 Voting <u>2</u> Non-Voting 20 Total</p>
Composition			
<p>5 <i>Ex Officio</i> 3 <i>Ex Officio</i> Voting: Secys of: Agriculture Education Conservation & Natural Resources 2 <i>Ex Officio</i> Non-Voting: Governor President</p>	<p>5 <i>Ex Officio</i> 0 <i>Ex Officio</i> Voting 5 <i>Ex Officio</i> Non-Voting: Secys of: Agriculture Education Conservation & Natural Resources Governor President</p>	<p>1 <i>Ex Officio</i> 0 <i>Ex Officio</i> Voting (Secys of Agriculture, Education and Conservation & Natural Resources no longer on Board in any capacity) 1 <i>Ex Officio</i> Non-Voting: President (Governor no longer on Board in any capacity)</p>	<p>2 <i>Ex Officio</i> 0 <i>Ex Officio</i> Voting (Secys of Agriculture and Conservation & Natural Resources no longer on Board in any capacity) 2 <i>Ex Officio</i> Non-Voting: Secy of Education President (Governor no longer on Board in any capacity)</p>
<p>6 Gubernatorial Trustees* (nominated by the Governor) *includes one student</p>	<p>6 Gubernatorial Trustees</p>	<p>6 Gubernatorial Trustees Codify the requirement that one of the Gubernatorial Trustees be a student</p>	<p>2 Gubernatorial Trustees</p>

6 Business and Industry Trustees (nominated by B & I Selection Group; elected by Board)	6 B & I Trustees	No change	<i>0 B & I Trustees</i>
6 Agricultural Trustees (elected by agricultural org. delegates)	6 Ag Trustees	6 Agricultural Trustees (elected by alumni of the Penn State College of Agricultural Sciences)	<i>0 Ag Trustees</i>
9 Alumni Elected Trustees	6 Alumni Elected Trustees	No change	7 Alumni Elected Trustees
<i>0 Alumni Association (PSAA) Trustees</i>	1 PSAA Trustee: The immediate past president of the Alumni	<i>0 PSAA Trustees</i> <i>(but see below re presentations by the PSAA at each Board meeting)</i>	<i>0 PSAA Trustees</i> <i>(but see below re presentations by the PSAA at each Board meeting)</i>
<i>0 Student Trustees (as of right) (currently 1 student is nominated by Governor as a Gubernatorial Trustee)</i>	1 Student Trustee elected by the Board after nomination by the Student Trustee Selection Group	<i>0 Student Trustees (as of right) (but see above re the codification of student nominees by the Governor)</i>	1 Student Trustee elected by the Board after nomination by the Student Trustee Selection Group; student to serve a 2-year term
<i>0 Academic Trustees</i>	1 Academic Trustee elected by the Board after nomination by the Faculty Senate	No change	No change
N/A	N/A	N/A	8 At-Large Trustees Appointed by Board

Terms			
Trustees have a 3 -year term except <i>Ex Officio</i> Trustees Gubernatorial Trustees term is 3 years or until a successor is appointed	Trustees have a 3 -year term except <i>Ex Officio</i> Trustees, and: Student Trustee and PSAA Trustee would have 2 year terms	No change	Trustees have a 3 -year term except <i>Ex Officio</i> Trustees, and: Student Trustee and PSAA Trustee would have 2 year terms
Transition Period			
N/A	The PSAA Trustee would not take office until July 1, 2016 Only two Alumni Elected Trustees would be elected in the May 2015, 2016 and 2017 elections, so that the number of Alumni Elected Trustees would remain at 9 members until June 30, 2015, then reduce to 8 for the year ending June 30, 2016, 7 for the year ending June 30, 2017 and 6 for the year ending June 30, 2018, and thereafter	TBD	TBD
Other Composition Requirements			
Only requirement re alumni representation comes through the requirement for 9 Alumni Elected Trustees	At least half of the Gubernatorial Trustees, B&I Trustees and Ag Trustees shall be alumni of the University	No change	No change

Other Trustee Qualifications			
N/A	The Student Trustee must be a full-time undergraduate, graduate or professional student in good academic standing and in a degree seeking program at the University. (The Student Trustee’s term would immediately end with no further action of the Board required in the event that the Student Trustee no longer met such qualification)	No change	The Student Trustee must be a full-time undergraduate, graduate or professional student in good academic standing and in a degree seeking program at the University. (The Student Trustee’s term would be 2-years)
A person employed by the university in any capacity is ineligible, with the exception of <i>ex officio</i> members and students employed part-time. Ineligibility continues for 5-years from the July 1 after employment changes Alumni Elected Trustees cannot be a member of the faculty or governing board of any other college or university in Pennsylvania	No change	No change	No change

Selection Method			
<p>Ag Trustees are elected by Agricultural Societies or Associations of the Commonwealth that were in existence at least 3 months before the election and notified the University at least 60 days before the election of their participation. Each society is invited to send up to 3 delegates. “Societies shall endeavor to select delegates that reside in the county they represent.” Each delegate must have appropriate credentials provided by the societies and no proxies are permitted</p>	<p>In the Ag Trustee election, each delegate must be a member in good standing of the organization which he or she represents and must be a resident of the county which he or she represents.</p> <p>The Ag Trustee election process would be revised to provide for enhanced policies and procedures designed to verify the authorization of delegates to participate in the election</p>	<p>Ag Trustees would be elected by the Penn State College of Ag Sciences alumni</p> <p>Only graduates of Penn State will be eligible to serve as Ag Trustees</p>	<p>N/A</p>
<p>B & I Trustees are selected by a selection group composed of 5 members: 3 B & I Trustees not up for re-election and 2 from among the Ag, Alumni Elected and Gubernatorial Trustees. Members of the selection group are appointed annually by the Chair</p>	<p>Changes would be made to the B&I Trustee process to provide the full Board with an opportunity to nominate candidates and to revise the process for identifying candidates</p>	<p>A 5-member selection committee would be formed to select B&I Trustees, made up of the Board Chairman as well as 1 representative from each of the Ag, B & I, Alumni Elected, and Gubernatorial Trustees</p>	<p>N/A</p>

<p>Alumni Elected Trustees currently require 50 signatures for nomination by electors to be considered for election</p>	<p>In the Alumni Elected Trustee election, the number of nominations needed to be placed on the ballot would be increased from 50 to [TBD]</p>	<p>No change</p>	<p>No change</p>
<p>Board vacancies are filled by appointment of Interim Replacements by the Chair of the Board for the unexpired term in all cases except Gubernatorial Trustees and <i>Ex officio</i> Trustees, which are as established in the Charter</p>	<p>No change</p>	<p>No change</p>	<p>No change</p>
<p>N/A</p>	<p>New processes for the nomination and election of the: Student Trustee Academic Trustee PSAA Trustee (as outlined above)</p>	<p>No change</p>	<p>A 5-member subcommittee of the Governance and Long-Range Planning Committee (the “Selection Subcommittee”) would be formed to recommend the Board Appointed Trustees for Board appointment; the Selection Subcommittee would be made up of the Board Chairman with the remainder to be as balanced as possible among the Board Appointed Trustees, Gubernatorial Trustees and Alumni Trustees</p>

Committee Membership			
Members, chairpersons and vice-chairpersons of standing committees selected by the Chair of the Board of Trustees	No change	Members, chairpersons and vice-chairpersons of standing committees selected by the Governance Committee with recommendations by the Board Chair. Committee membership and leadership must be ratified by the full Board.	Members, chairpersons and vice-chairpersons of standing committees recommended by the Selection Subcommittee with recommendations by the Board Chair (including filling any vacancies). Committee membership and leadership must be ratified by the full Board
Emeritus Trustees may serve on Committees if asked by the Chairman	No change	Remove Emeritus Trustees from committee service	Remove Emeritus Trustees from committee service
Other			
N/A	“3x3x3” meetings each semester as recommended in Faculty Senate Report ¹	“3x3x3” meetings each semester as recommended in Faculty Senate Report	“3x3x3” meetings each semester as recommended in Faculty Senate Report

¹ The Faculty Senate Report discussed the adoption of “three-by-three-by-three” meetings each semester among the leadership and executive staff of the Board, the Faculty, and the University. For example, at the University of Minnesota, this 3x3x3 structure consists of: (1) the Board Chair, Vice-Chair, and Executive Director, (2) The Chair of the Faculty Senate’s Faculty Consultative Committee (the “FCC”), the FCC’s Vice-Chair and Secretary to the Faculty, and (3) the President, Provost, and President’s Chief of Staff. These meetings would facilitate communications among the various groups responsible for efficient university governance..

N/A	No change	No change	Each Dean of a Penn State college will have the ability to nominate up to 2 candidates for consideration by the Selection Subcommittee for Board Appointed Trustees. Members of the Board and general public can also nominate candidates for consideration. Candidates need not be Penn State alumni
Board has the ability to make changes to board composition	No change	No change	No change
Board may invite PSAA to make presentations at its discretion	No change	Presentations by the PSAA at each Board meeting	Presentations by the PSAA at each Board meeting
N/A	No change	Create an Emeritus Advisory Council to advise Chairman of the Board and/or the Board at the Chairman or the Board's request	Create an Emeritus Advisory Council to advise Chairman of the Board and/or the Board at the Chairman or the Board's request
Trustees that have served more than 20 years are automatically provided with emeritus status	No change	No change	Only Trustees that have exhibited distinguished service will be provided with emeritus status; Selection Subcommittee will recommend to the Board those former trustees who should be awarded emeritus status

N/A	No change	No change	Board approval required for any expenditure of more than \$5 million that was not included in the budget or that is reasonably expected to engender large and ongoing expenses of more than \$5 million not already addressed in the budget
N/A	No change	No change	Full Board approval required for any action that might have a significant impact on the University of a financial or reputational nature
Conflict of interest policy requires disclosure related to spouse and children	No change	No change	Conflict of interest policy will require disclosure related to all Immediate family members and the policy shall provide that in any public disclosure of conflicts of interest the disclosure will be made on an individualized basis
“Family members” is defined as spouse and children	No change	No change	“Immediate family members” is defined to include a person’s spouse, parents, children, siblings, mother and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person’s home

Trustee can become an employee of the University within 5 years of departure from Board service if approved by the Board	No change	No change	Trustee cannot become an employee of the University within 5 years of departure from Board service
Term limits of 12 years, effective July 1, 2013. Term limit does not apply to trustees while serving as Chair of the Board—such trustees are eligible for reelection/reappointment. For trustees whose terms began before July 1, 2003, a 15-year term limit applies commencing on that date.	No change	No change	Any trustee whose term exceeds 12 years is ineligible for reelection, including Chair and any Vice-chair
Minutes of executive committee action provided to all trustees at next regularly scheduled meeting	No change	No change	Minutes of executive committee action to be delivered to full Board within 3 days of any meeting of the executive committee
N/A	No change	No change	Any Board member can attend any meeting called by the Chair, as well as meetings of committees and subcommittees, except for those Board members who may have a conflict with regard to the matter under discussion