The President's Report was given in the Lilley Library at Penn State Erie, The Behrend College, Erie, Pennsylvania, at 8:42 a.m. on July 11, 2008.

The following Trustees were present: Broadhurst (chairman), Garban (vice chairman), Alexander, Baldwin, Chaiken, Clemens, DiBerardinis, Hayes, Henning, Hintz, Huber, Hughes, Joyner, Junker, Lubert, Masser, Metzgar, Myers, Poprik, Riley, Shaffer, Spanier, Strumpf, and Surma; Trustees Emeriti Huck, Robinson, Rowell, Wood, and Zemprelli; and Governor's Representative Lewis.

Present by invitation were faculty representatives Blood, and Coraor; student representatives Keirans, Khoury, and Mendoza; Penn State Erie, The Behrend College representatives Buseck and Filbeck; staff members Ammerman, Burke, Curley, Dolbin, Erickson, Hanes, Hurley, Kirsch, Mahon, Pangborn, Paz, Pell, Poole, Romano, Schultz, Stryker, and Weidemann; and Mr. Courtney of McQuaide Blasko.

Chairman Broadhurst welcomed Rodney Hughes and Keith Masser, new trustees. Chairman Broadhurst also welcomed the University Faculty Senate Officers Ingrid Blood and Lee Coraor; student representatives Gavin Keirans, George Khoury, and Alfonso Mendoza; Academic Leadership Chair Madlyn Hanes; and Penn State Erie, The Behrend College representatives Dr. Jack Burke, Chancellor, Kurt Buseck, Chair of the Council of Fellows, and Gregory Filbeck, Chair of the Penn State Behrend Faculty Senate.

Dr. Spanier's report is included in its entirety:

"Good morning. I want to begin by thanking Jack Burke and his staff for hosting us. In a few moments I'll be sharing some of the wonderful things that are happening here at Penn State Behrend, but first I want to recognize a few members of our leadership team.

"I'd like to welcome Kevin Snider, who began his duties as the eighth Chancellor of Penn State New Kensington on July 1st. Kevin comes to Penn State from Indiana State University where he served as the chief of staff and executive assistant to the president for strategic planning, institutional research and effectiveness. Kevin, can you wave so you can be recognized? (Kevin Snider waves.)

"We also are looking forward to Dr. Craig Edelbrock joining Penn State Great Valley as the new chancellor and associate dean of the Graduate School at the Penn State Great Valley School of Graduate Professional Studies. Craig will begin his duties on August 1st. He joins us from the University of Georgia where he served as associate dean of the Graduate School and professor of Child and Family Development. For almost 15 years prior to his appointment at the University of Georgia, Craig was a professor of Human Development and Family Studies in the College of Health and Human Development at Penn State. We're very much looking forward to welcoming him back to the Penn State family.

"Everyone at Penn State owes a special thank you to Gail Hurley for her service as interim Vice President of Student Affairs. When Damon Sims joins us on August 1st, Gail will again have just one full-time job -- Associate Vice President of Auxiliary and Business Services at Penn State. For the past 10 months, Gail has served double duty, managing a myriad of responsibilities with enthusiasm, dedication, patience, and energy - lots of energy. Personally, I have appreciated her insights and ideas on how to make Penn State a more student-centered university. On behalf of everyone at Penn State, please join me in thanking Gail for her hard work and enormous contributions to the University.

"Now, let's turn our attention to Penn State Behrend, which is just beginning to celebrate its 60th anniversary."
"Admissions and enrollments are at an all-time high across the Penn State Commonwealth campuses, and at Penn State Behrend the growth is unprecedented. Since 2005, enrollments at Penn State Behrend have increased by 18 percent, and baccalaureate admissions are up 39 percent. All indications are that next fall's entering class of new students will be on a par with the past two record-setting years.

"Penn State Behrend has the largest enrollment outside of University Park and Penn College, and student satisfaction is exceptionally high. In a recent survey of graduating seniors, 93 percent said they would recommend the college to a friend considering higher education.

"Science and engineering are two areas that have seen explosive growth here. While the number of engineering degrees granted decreased throughout the country, enrollment in engineering and engineering technology programs at Penn State Behrend has increased almost 40 percent in the last decade.

"This success can be attributed to the quality and distinction of Penn State Behrend's programs, such as Software Engineering and Plastics Engineering Technology, which is one of only four programs in the United States accredited by the Accreditation Board for Engineering and Engineering Technology.

"Outstanding research facilities include a wind tunnel and the largest academic plastics processing lab in the country, which is located in the spectacular Research and Economic Development Center. In addition to state-of-the-art research facilities, this building is unique in another regard - in that the schools of business and engineering are located in one facility. This proximity is designed to encourage interdisciplinary collaboration that can spur entrepreneurship and turn technical ideas into startups and other outreach projects.

"For example, the Radio Frequency Identification Center (RFID) is rapidly developing a reputation nationwide for expertise in the use of RFID technology for inventory and supply chain management. Most recently, the RFID group collaborated with the Center for Food Innovation in the College of Health and Human Development to present a conference exploring RFID best practices and emerging technologies in the food industry.

"Another center of innovation and technology is the college's 200-acre Knowledge Park. Established in cooperation with the Greater Erie Industrial Development Corporation, Knowledge Park provides companies with a superior technological infrastructure and close ties to the college's strengths in applied research and technology transfer. It also gives students exceptional learning and employment opportunities.

"At the last Board meeting, you heard about the growth and advancements in the nursing programs. Penn State Behrend has shared in that success. In just its first year, this highly sought after nursing program received more than 300 applications for 50 available first-year slots. In addition they launched an RN to BS in Nursing degree and opened a one million dollar advanced nursing simulation lab, which serves as an academic center for students and community health care providers.

"Athletics also plays an important role in student life at Penn State Behrend. This year the Behrend Lions athletic teams earned 10 of a possible 13 Allegheny Mountain Collegiate Conference championships, making NCAA Division III tournament appearances in five sports, and winning the AMCC's President's Cup for the seventh time in the eight years it has been awarded.

"Academics, athletics, and business activities have all helped promote the economic development in the region. In fact, the total direct and indirect economic impact of Penn State Behrend is nearly $200 million annually.
"Moving on to other news across Penn State. I'm very pleased to note that the Penn State Hershey Medical Center has earned distinction in two recent reports. First, Penn State Hershey Children's Hospital is listed in the *U.S. News & World Report's 2008 edition of America's Best Children's Hospitals*. In addition, Penn State Hershey Medical Center has been recognized as one of the nation's Top 100 hospitals by Cleverley & Associates in their new publication: *State of the Hospital Industry - 2008 Edition*.

"Congratulations also go to the winning hybrid vehicle team that competed in the Challenge X: Crossover to Sustainable Mobility. The team scored top marks in several events, including first place in fabrication and workmanship, first in control and technical presentations, fastest autocross, best vehicle appearance and best education and outreach program. Team advisor Gary Neal won the Rookie Faculty Advisor of the Year Award, which brings a gift of $15,000 to the University's hybrid vehicle program.

"In recognition of Penn State's efforts in the area of information security, privacy and risk management on a national level, Penn State is among a select group of universities to be designated a National Center for Academic Excellence in Information Assurance Research. The CAE-R Program is jointly sponsored by the National Security Agency and the Department of Homeland Security and was created to recognize schools that excel in information assurance education as well as research. This is a great opportunity for faculty and students in the College of Information Sciences and Technology and the department of Computer Science and Engineering to further their collaborative efforts.

"Research at Penn State continues to be very healthy. This year our faculty have secured research awards of $718 million, which is up seven percent from the $671 million we logged in at this time last year. What makes this particularly good news is that these increases reflect growth in nearly every one of our academic colleges.

"Dr. Padma Raghavan, director of the Institute for Computational Science and professor of computer science and engineering, led the Penn State group that received nearly two million dollars in funding from the National Science Foundation's Major Research Instrumentation Program. This award is designated for the acquisition of a terascale advanced computing instrument that will serve a multidisciplinary group of researchers studying everything from human interactions to infectious diseases to engineering to bioinformatics.

"Penn State's long record of accomplishment in defense-related research is a result of exceptional faculty members like Dr. Susan Trolier-McKinstry, the director of the W. M. Keck Smart Materials Integration Laboratory and a professor of ceramic science and engineering. Last month she was selected as an inaugural National Security Science and Engineering Faculty Fellow through the Department of Defense. In this capacity, Dr. Trolier-McKinstry will be working as part of an elite group of scientists.

"I now want to recognize a few of Penn State's elite athletes. Shana Cox ended her Penn State career with a national championship. She finished first in the 400-meter dash at the NCAA Track and Field Championships, and she anchored the 4x400 relay team for another victory. These national titles are the first in running events in the track team's history. In recognition of her outstanding season, Shana has joined men's gymnast Casey Sandy in being named the 2007-08 Penn State student-athletes of the year.

"The start of the Beijing Olympics is just a month away, and Erica Walsh, Penn State's women's soccer coach will be on the field as the assistant coach of U.S. Women's National Team. Erica is the first women's soccer coach to represent Penn State at the Olympic Games.

"What's more, Penn State's men's gymnastics assistant coach and former Nittany Lion Kevin Tan was named to the 2008 U.S. Olympic Team. Penn State head coach Randy Jepson will accompany Kevin to the games as part of the U.S. coaching staff. Kevin is Penn State's first American Olympian since 1976.
"You may remember Tim Curley talking about Maggie Redden, a Penn State alumna who works in our sports information department. This September, she'll be representing the United States in the Paralympics in Beijing. Maggie's qualifying times and world-class ranking will give her the opportunity to compete in the 100, 200, and 400-meter track events. We'll be sure to keep you posted if Maggie or any other Penn State athletes bring home a medal.

"Last night, Penn State was the star of a new Discovery Channel series called Crime Scene University, which features the forensic science program at Penn State. Crime Scene University was shot over about a five-week period in the spring of 2007 at the University Park campus, and the series is scheduled to run as four hour-long episodes. Judging from the promotional trailer, Penn State will be in the limelight this summer. See for yourself. (Video is shown.)

"To end my report, I have two very exciting announcements.

"First, you may recall that last year a Renaissance Scholarship Fund was established in memory of the Arnelle's son -- Paolo Arnelle. I'm pleased to announce that as of June 16th, the Renaissance Scholarship has been fully funded and will begin to benefit students starting this fall. Jesse was one of the five Board of Trustees' members who established the Renaissance Scholarship Fund, a fund that provides financial assistance to 'the brightest of the neediest' Penn State students. I know this means a great deal to Jesse and Carolyn, and on behalf of Penn State, I want to thank you for your support of the Renaissance Scholarship Fund.

"Finally, I am delighted to announce that Bob and Sally Metzgar have donated two million dollars for an important new building at Penn State Behrend. The new Robert and Sally Metzgar Admissions and Alumni Center will serve as a 'gateway' to the campus, housing the college's admissions, financial aid, and alumni relations offices. As you can see from this slide (slide shown), the building will be situated off the northeast corner of the Reed Union Building parking lot. A sign has been posted on the site, so you will see that later today as you tour campus.

"The Robert and Sally Metzgar Admissions and Alumni Center has already begun to benefit Penn State students, because it was used as the project for the third year architecture design studio led by architect Herm Weber of Weber Murphy Fox. The students appreciated the 'real world' experience, and their designs offered some interesting insights that will be useful as we move forward with the project.

"Now, I'd like to recognize the Metzgar family members here today: Bob, Sally, their daughter Kathy and their grandson Drew. Your generosity is deeply appreciated and the new building will be a hallmark of this beautiful campus. Thank you Bob and Sally for your visionary gift to Penn State Behrend and for your dedication to our students and alumni.

"Now I'll be happy to take your questions."

President Spanier received comments concerning:

- Big Ten Network and Comcast Agreement which results in Comcast carrying the Big Ten Network very broadly; and

- Penn State's use of the five hours per month of non-athletic programming on the Big Ten Network.