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MINUTES OF MEETING
BOARD OF TRUSTEES
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November 11, 2011

A meeting of the Board of Trustees was held in the Alumni Ballroom of The Nittany Lion Inn, University Park, Pennsylvania, at 9:50 a.m. on November 11, 2011.

The following Trustees were present: Garban (chairman), Surma (vice chairman), Alexander, Allan, Arnelle, Broadhurst, Clemens, Corbett, Dambly, Deviney, DiBerardinis, Eckel, Erickson, Frazier, Greig, Hayes, Hetherington, Hintz, Jones, Joyner, Khoury, Lubert, Masser, Myers, Peetz, Riley, Shaffer, Silvis, Strumpf, Suhey, Surma, and Tomalis; Governor's Representative Branstetter; and Trustees Emeriti Brosius, Coppersmith, Huck, Junker, Metzgar, Robinson, Rowell, and Wolff.

Present by invitation were faculty representatives Backer, Hagen, and Hufnagel; student representatives Bard, and Lozano; staff members Ammerman, Baldwin, DiEugenio, Foley, Hanes, Kirsch, Mahon, Mulroy-Degenhart, Pangborn, Paz, Poole, Sims, and Weidemann.

Chairman Garban thanked and introduced Dr. Rodney Erickson as the President of The Pennsylvania State University. He noted that all on the Board pledged support to President Erickson and the administrative team as we work together and collectively for the future of this institution that we love. President Erickson was met with a standing ovation and his remarks are included below in their entirety:

"Thank you, Chairman Garban, I am honored and humbled by your appointment of me as president. I want to thank you for placing your confidence in me--and the other members of Penn State's administrative team as we move forward. We are indeed a team, one that pulls together day-in-and-day-out.

"I'd like to take the opportunity to introduce my wife, Shari, who is a wonderfully loyal Penn Stater despite being a University of Iowa Hawkeye. She's been the love of my life for the past 43 years since we first met, and she keeps me well grounded.

"As you know, I've been with Penn State for more than 34 years, and I am deeply committed to this institution, first and foremost to our students; and to those who make it happen every day--our faculty and staff; and to those who have great pride and a sense of family in Penn State--our alumni and friends reaching from the Commonwealth to the far corners of the world.

"I accept this new leadership role under circumstances that I never could have imagined. It has been truly difficult to comprehend the terrible nature of the allegations that were revealed in the Attorney General's presentment last week. My heart aches for the victims and their families, and my mind searches for answers, like millions of others across the nation.

"This is a tragedy for many lives, and it will take all of us some time to come to grips with the full magnitude of all the damage that has been done.

"I want to thank the Board of Trustees for your leadership and guidance through this difficult time. Your deliberations and decisive actions have now set a course for the University's future.

"Later today we will hear of the formation of a Special Committee to undertake a full and complete investigation of the circumstances that gave rise to the Grand Jury Report. Healing cannot occur until we understand how responsibilities to these children failed and how we can prevent such tragedies in the future.

"I am grateful for the Board's commitment to Penn State's mission and your stewardship of the University. Each of you shares my personal resolve to re-energize our commitment to be the best that we can be, individually and collectively, to strive for excellence in everything that we do, and to represent the highest standards for honesty and integrity.

"It is beholden on everyone now to carry on the work that so many of us have dedicated our lives to doing. We have 96,000 students, 46,000 full- and part-time employees, and more than half a million alumni. We are a learning community and we must continue to deliver outstanding teaching, research and service. Our work is as important to society's future today as it was last week, perhaps even more so.

"This board helped to craft the strategic plan that continues to provide the roadmap for setting priorities and pursuing strategies to achieve our objectives. We are certainly not adrift, or without a vision going forward.

"In the days and weeks ahead, I will be meeting with representatives from the Faculty Senate, student leadership, staff, alumni groups, donors and friends, as well as officials from state government. My purpose will be to listen. I want to hear their concerns and their ideas for Penn State. My purpose will be to reassure. I want Penn Staters to understand that the actions of any individual do not represent our University. I want to help rebuild our confidence in who we are. My purpose will be to reaffirm. I want all Penn Staters to know that our future is still bright. And my purpose will be to talk about our core values. Our values will define this University long after we are gone.

"For more than 150 years, Penn State has been committed to its core values of honesty, integrity, excellence, and community. Now, more than ever, we need to articulate these values in everything we do, and we need to live them in our work, our service, our extracurricular activities, and our place in the community.

"I know we can do this. We are resilient. We are a University that will rebuild the trust and confidence that so many people have had in us for so many years.

"I have not accepted this appointment as your president to be a caretaker. During my time of service, I commit to seeing us move forward, and that Penn State continues to deserve a reputation as one of the finest educational institutions in the world.

"Again, thank you for your trust and confidence in me."

Chairman Garban welcomed new members of the Board of Trustees: The Honorable Thomas W. Corbett, Jr., Governor of the Commonwealth of Pennsylvania, and Peter A. Khoury, undergraduate student and a senior majoring in biology. Khoury was nominated by Governor Corbett to serve as a trustee and Senate confirmation was received in October. Chairman Garban also welcomed the University Faculty Senate Officers Daniel Hagen, Larry Backer, and Pam Hufnagel; student representatives TJ Bard, and Jonathan Lozano; and the Chair of the Academic Leadership Council, Barbara Korner, Dean of the College of Arts and Architecture.

It was voted to approve the minutes of the meeting of the Board held on September 9, 2011.

Informational Report on Enrollment, Characteristics and Student Financial Aid

Dr. Robert N. Pangborn, Vice President and Dean for Undergraduate Education, presented a report on undergraduate admissions, enrollment, and student characteristics, and initiatives to enhance student success.

Reports from Standing Committees

A. Committee on Campus Environment

There was no report or meeting of the Committee on Campus Environment.

B. Committee on Educational Policy

Chair Joyner reported that a quorum of the Committee on Educational Policy was present with the following members in attendance: Joyner (chair), Frazier (vice chair), Erickson and Garban (ex officio), Alexander, Corbett, Hayes, Jones, Riley, Shaffer, and Tomalis.

The Committee on Educational Policy recommended that the Board of Trustees approve the following resolution:

1. RESOLVED, that the Board of Trustees approves the proposed reorganization of the College of Agricultural Sciences into the following nine departments: Food Science; Agricultural and Biological Engineering; Animal Science; Veterinary and Biomedical Sciences; Agricultural Economics, Sociology, and Education; Plant Pathology and Environmental Microbiology; Entomology; Plant Science; and Ecosystem Science and Management, effective July 1, 2012.

The Committee received the following items for information:

1. Information on Undergraduate Programs
 - a) Applied Materials Option and Alternative Energy and Power Generation Option in the Bachelor of Science in General Engineering, College of Engineering: New Options
2. Information on Graduate Programs
 - a) Doctor of Philosophy Program in Counseling Psychology in the College of Education: Drop of Program
 - b) Software Development Option in the Master of Professional Studies Degree in Information Sciences in the College of Information Sciences and Technology: Drop of Option
 - c) Doctor of Philosophy Program in Biomedical Sciences/Doctor of Medicine Joint-Degree Program in the College of Medicine: New Program

The Board voted to approve the action items as recommended by the Committee on Educational Policy. The approval of Action Item B.1 reflects an editorial amendment made at the meeting.

C. Committee on Finance and Physical Plant

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

Chair Strumpf noted that Agenda Item C.8, "Proposed Changes in Room and Board Charges for the 2012 Fall Semester, The Pennsylvania State University," and the related educational presentation by Gail Hurley, associate vice president for Auxiliary and Business Services, was deferred until a subsequent meeting.

The Committee on Finance and Physical Plant 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 and Physical Plant at its meeting of November 11, 2011.

FURTHER BE IT RESOLVED, That the Officers of the University are authorized to convey the Board's appreciation to these generous benefactors who provide opportunities for many students to receive a quality education.

3. RESOLVED, That the Materials Research Institute Building (0965002) at Innovation Park is named "The 230 Building."

4. RESOLVED, That the Technology Building at Penn State New Kensington is named the "Robert D. Arbuckle Technology Building."

5. WHEREAS, in January 2011, the Board of Trustees ratified the memorandum of agreement to support a visiting scientist between SilcoTek Corporation (the sponsor) and the University to provide financial support to the visiting scientist in Materials Research Institute identified by the sponsor for a period of one year in the amount of \$24,000, and

WHEREAS, it is desired to extend the period of performance for an additional year (with no cost extension),

RESOLVED, that the proposed amendment to the memorandum of agreement to extend the period of performance for an additional year is approved.

6. RESOLVED, That the Officers of the University are authorized to appoint the firm of Cannon Design of Baltimore, Maryland as architects for the McCoy Natatorium Addition/Indoor Tennis Center at University Park.

7. RESOLVED, That in view of the special nature of this project, the interview process has been conducted by the University's Office of Physical Plant.

FURTHER BE IT RESOLVED, That the Officers of the University are authorized to employ the firm of Bohlin Cywinski Jackson of Pittsburgh, Pennsylvania as architects for the Educational Activities Building Addition and Renovations at Penn State Harrisburg.

8. RESOLVED, That in view of the special nature of this project, the interview process has been conducted by the University's Office of Physical Plant.

FURTHER BE IT RESOLVED, That the Officers of the University are authorized to appoint Barton Malow of Baltimore, Maryland to design and build the additional South Halls Building at University Park.

The Committee received the following items for information:

1. Internal Air Systems Research Facility, University Park
2. Classroom Building Biology Laboratory Addition and Renovations, Penn State Schuylkill
3. Radiology Shell Space Fit-Out - Phase I, The Milton S. Hershey Medical Center
4. Shaver's Creek Dam Rehabilitation, Stone Valley Recreation Area
5. Naming of Rooms, Portions of Buildings, and Plazas
 - a. The Equipment Staff Locker Room (104 Lasch Football Building) for an anonymous commitment. The recognition plaque should read: *Brad "Spider" Caldwell Equipment Room*
 - b. The Swimming Lane #6, (Indoor Aquatics Center) for a commitment from Robert J. Chaney. The recognition plaque should read:
*Robert and Anita Chaney
Swimming Lane #6*
 - c. Transfer the name of the "Bennett Playground" at the former Child Development Laboratory at Henderson Building to the new playground at the Gary C. Schultz Child Care Center. The programs and staff of the Child Development Laboratory have recently been folded into the Gary C. Schultz Child Care Center and the former Child

Development Lab has been closed. The recognition plaque should read:

October 28, 2011

*On this date, the Bennett Playground was rededicated in its new home
With gratitude to its benefactors Edna Bennett Pierce '53 and the late C. Eugene Bennett*

- d. Several spaces in the Knowledge Commons, Pattee Library, as follows:
 - 1) Atrium seating area for a gift from Marlene Trainer. The recognition plaque should read:

*In Honor of
Marlene and Stan Trainer and Family
Atrium Seating*
 - 2) Atrium seating area for a gift from Glenn W. and Nancy S. Gamble. The recognition plaque should read: *Glenn W. and Nancy S. Gamble Atrium Seating*
 - 3) Multimedia Classroom for a commitment from Nike, Inc. in honor of Sue and Joe Paterno. The recognition plaque should read: *Nike, Inc. Multimedia Classroom*
 - e. A Conference Room, Penn State Hershey Heart and Vascular Institute, for a gift from the I.O. Silver Foundation. The recognition plaque should read: *Miriam Silver Conference Room*
 - f. A Waiting Area, Penn State Hershey Cancer Institute Melanoma Research, for a commitment from The Mark Encin Foundation for Melanoma Research. The recognition plaque should read: *The Mark Encin Foundation for Melanoma Research Waiting Area*
 - g. An Infusion Room, Penn State Hershey Cancer Institute, for a gift from Roger and Grace Moyer. The recognition plaque should read: *Roger and Grace Moyer Infusion Room*
 - h. The small plaza, Penn State Erie, The Behrend College, adjacent to the convenience store presently under construction, "Ben Lane Plaza."
 - i. Modify the name of the small garden in front of Moore and Cedar Building at the request of Doug and Julie Rock. The garden will be named the "Robert Glenn Jensen Garden." It had been named the "Jensen Family Garden" in December 2010.
6. Sale of Gifted Laird Smith Property, Penn State Lehigh Valley
 7. Status of Major Construction Programs and Borrowing
 8. Conflict of Interest Disclosure
 9. Report on the University's Audited Financial Statements made by Joseph J. Doncsecz, Corporate Controller

The Board voted to approve the action items as recommended by the Committee on Finance and Physical Plant. (Trustee Silvis abstained from voting on Action Item C.5.)

Appointment of a Screening Committee for the Distinguished Alumni Award

It was voted to authorize the President of the Board to appoint a committee to screen all nominees for the Distinguished Alumni Award, and present a slate at the January 2012 meeting.

Appointment of a Non-voting Representative for the Governor of the Commonwealth

The Board of Trustees voted to approve the following resolution:

RESOLVED, That upon Governor Corbett's request, Jennifer Branstetter, Secretary of Policy and Planning, Commonwealth of Pennsylvania, be authorized to serve as the Governor's non-voting official representative at all meetings and other functions of the Board of Trustees of The Pennsylvania State University which the Governor is unable to attend.

Report of Executive Sessions

Chairman Garban reported that the Board of Trustees had met in Executive Session to discuss personnel matters, to consult with its attorney or other professional advisors, and University business. The resultant actions included:

- A. In view of the situation and unfolding circumstances at Penn State, the Board of Trustees determined, and Dr. Spanier concurred, that it was best for the President to step down effective November 9.
- B. The Board of Trustees determined that it is in the best interest of Penn State for Joe Paterno to no longer serve as head football coach, effective November 9.
- C. The appointment of Rodney A. Erickson as President of The Pennsylvania State University effective November 9. The Board is pleased that Dr. Erickson accepted the challenge to lead the University at this important time, and believes that he will provide the necessary stability and direction as we pursue our University's land grant mission of education, research and outreach. President Erickson has the Board's complete confidence and support.

President Erickson will continue in this role until the Board determines an appropriate time to begin a transition to new leadership. At that time a nationwide search will be conducted, although no specific schedule has been established at this point. The Board plans to keep the University community informed of any changes.

- D. The Board of Trustees received a request from athletic director Tim Curley to be placed on administrative leave so that he can devote the time needed to defend himself against recent allegations by the Pennsylvania State Attorney General, effective November 6.
- E. The Board of Trustees was advised that interim senior vice president for Finance and Business Gary C. Schultz will return to retirement so that he can devote the time needed to defend himself against recent allegations by the Pennsylvania State Attorney General, effective November 6.
- F. A Special Investigations Task Force has been established and work is underway to identify the members. A statement was released on Tuesday, November 8, noting that the task force will undertake a full and complete investigation of the circumstances that gave rise to the Grand Jury Report. It will be commissioned to determine what failures occurred, who is responsible, and what measures are necessary to insure that this never happens again. There will be full accountability for those found responsible. All resources will be made available for the committee to fulfill its charge and there will be no restrictions placed on its scope or activities. Upon the completion of this investigation, a complete report will be presented at a future public session of the Board of Trustees.

The special task force will be chaired by Trustee Ken Frazier and Trustee Ron Tomalis will serve as the vice-chair. Chairman Garban called on Trustee Frazier for remarks, which are included in their entirety:

"Thank you, Mr. Chair. I would just start by saying that the special committee will take very seriously its charge of conducting a complete and independent and separate investigation which will be viewed as rigorous, objective, and impartial into the matters that you just discussed. I would also say that the Board has made it clear that sexual abuse, and in particular, child sexual abuse is

completely unacceptable in any setting, but it has absolutely no place at Penn State University, and because of that, the special task force will bring all of its resources, including independent counsel to determining whether or not officers and employees of the University acted responsibly in connection with these allegations and whether, going forward, we need any changes to the University's policies or procedures to ensure the protection of children in the future. So, I will only say that, along with Secretary Tomalis, we will do everything in our power to ensure that we give the community, our students, their parents, and our alums the best indication that we've looked at everything, talked to everyone, looked at all the documents that we can, with the help of outside counsel, and that we are going to get to the bottom of all of these matters. I appreciate your support and I look forward to reporting back in the future."

Chairman Garban closed by noting the University and this Board have many challenges and issues that we will face over the coming days, months, and perhaps years. He reiterated the Board's support for President Erickson and the leadership team of the University as we move forward. Penn State has always strived for honesty, integrity and the highest moral standards in all of its programs. We are dedicated to protecting those who are placed in our care. Collectively, we promise that we are committed to restoring public trust in the University. He thanked Vice Chair John Surma who provided the utmost support, decisive leadership, and commitment to the University in these recent, difficult days. His service will always be appreciated. Chairman Garban and Vice Chair Surma will continue to work together, with the Board, and move this University forward.

The meeting adjourned at 11:20 a.m.

Respectfully,

Paula R. Ammerman
Associate Secretary
Board of Trustees