

230 - 1  
MINUTES OF MEETING  
**PRESIDENT'S REPORT**  
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The President's Report was given in the Boardroom of The Nittany Lion Inn, University Park, Pennsylvania, at 8:45 a.m. on January 19, 2007.

The following Trustees were present: Baldwin (chair), Broadhurst (vice chair), Alexander, Chaiken, Clemens, Conti, DiBerardinis, Eckel, Foulke, Garban, Hayes, Henning, Hetherington, Hintz, Jones, Joyner, Junker, Metzgar, Myers, Peechatka, Poprik, Riley, Rowell, Shaffer, Spanier, Strumpf, and Suhey; Trustees Emeriti Brosius, Fredman, Huck, Robinson, Schaffer, Springer, and Wolff; and Governor's Representative Daniels.

Present by invitation were faculty representatives Blasko, Casteel, and Floros; student representative Chamberlin; staff members Ammerman, Bowen, Curley, DiEugenio, Dolbin, Erickson, Jones, Kirsch, MacCarthy, Mahon, Pangborn, Paz, Pell, Romano, Schultz, Thomas, Triponey, and Weidemann; and Mr. Courtney of McQuaide Blasko.

**President's Report**

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

"For my report this morning I want to provide you with a brief update on some of the activities that have occurred since our last Board meeting, and then I will take any questions that you have.

"Many of us find commencement to be the highlights of the academic year. We had very successful commencements in December, in which the University graduated a total of 4,511 students, including associate degrees, baccalaureate degrees, graduate degrees and juris doctorates.

"Another notable degree that will be handed out this commencement season is going to someone in this room. I am pleased to be able to inform you that Cynthia Baldwin will receive an honorary doctorate from Carlow University at their winter commencement ceremony tomorrow in Pittsburgh.

"Cynthia, congratulations.

"When it comes to degrees, Penn State student-athletes continue to graduate well above their peers nationwide, according to statistical information recently released by the National Collegiate Athletic Association.

"The NCAA's annual study of institutions nationwide revealed that Penn State student-athletes at the University Park campus had a graduation success rate of 86 percent for students entering from 1996-97 through 1999-2000.

"Penn State's football graduation rate was the third highest among the nation's public universities.

"In addition, the Big Ten announced in early December that the Nittany Lions were first in the conference for the most academic honorees for the fall semester. Penn State had 78 honorees from seven different sports--ten ahead of the number two school, Michigan.

"And there was one Penn State student athlete who stood out among the rest. Middle linebacker Paul Posluszny, who won the Bednarik Award for the second consecutive year as the nation's top defensive player, was also named 'Academic All-American of the Year' in Division I football. Paul was selected an Academic All-American last year, making him the fifth member of the Nittany Lion football team to earn first-team Academic All-American honors twice.

"Paul and his teammates held up the Big Ten's honor in the Outback Bowl, when they downed the SEC's Tennessee Volunteers 20-10 on New Years day in Tampa. It was a little bit of a rainy day down there, but we had a wonderful turnout of Penn Staters and some terrific events that allowed us to connect with alumni in the Florida area. Our musical theater students performed at three different events in Tampa. It was, by all accounts, a very successful week for the University.

"*The Daily Collegian* is an integral part of Penn State life. If it is true that journalists write the first draft of history, then since 1887 the student writers of *The Daily Collegian* have been compiling the first draft of Penn State's story. Now that saga--written over the course of nearly 120 years on newsprint, some of it yellowed from time--has been collected in a new book, *The Collegian Chronicles: A History of Penn State from the Pages of the Daily Collegian, 1887-2006*.

"Produced by the Collegian Alumni Interest Group, the compilation of 101 chapters and 384 pages serves as a contemporary account of the life and times of Penn State throughout its history as told by the student reporters and editors. While heavy on sports, the book explores how the world impacted campus life and how students impacted life beyond the campus.

"Editor Marv Krasnansky, a 1952 journalism graduate, and project manager Pete Waldron, a 1984 journalism graduate, put together an editorial staff of more than 90 former Collegian writers, editors and business managers from eight decades to contribute all-new, all-original stories to *The Collegian Chronicles*.

"Among those was Trustee Dave Jones, a former editor of the *Collegian*. Dave covers the years 1953-54. Lest anyone think that concerns about parking are a new phenomenon, Dave notes in his story that in the early 1950s Penn State was having parking and traffic problems on campus, but at the time parking fines were only levied against students--not faculty and staff. (An interesting concept!)

"Dave also writes about a riot after a football game in Philadelphia against Penn (we lost the game), and students, who paid the exorbitant amount of 65 cents, were seeing movies in local theaters starring Marilyn Monroe and Lauren Bacall.

"The book is a wonderful recollection on life at Penn State, and I commend it to you highly.

"One of our highest fund raising priorities the past few years has been the Trustee Matching Scholarship, which was designed to help those students with the most financial need. I am pleased to note that in its fourth year, Trustee Scholarship sources increased by 41 percent over the previous year. This past year 4,168 students received awards from donor endowment earnings in the Trustee Scholarship. This has been a wonderful help to our students and I want to thank everyone in this room who has contributed to this program and helped to make it so successful.

"Last year we were able to dedicate the new Forest Resource Building. I know that everyone has been very pleased with the way the building came out, but now we have received even more good news about the building, as it has been awarded an environmental rating of LEED Silver. The Silver designation is a great compliment to the design and construction of this new addition to campus.

"I know a number of Trustees use Penn State email access accounts, and I want to remind everyone that the deadline is approaching for Penn State's Password Change Initiative. To avoid Internet and e-mail interruptions associated with these upcoming deadlines, all students, faculty, staff and other users need to change their Access Account passwords now, if they haven't already done so. This effort is part of Penn State's initiative to foster a safer computing environment by requiring that all Access Account holders change their passwords on an annual cycle. There are directions on Penn State's web site on how to make the change.

"Yesterday we had the opportunity to break ground for the new law school building here at University Park, but we are also moving forward with an important renovation in Carlisle, and I want to take the chance this morning to once again thank the Governor for the matching funds that the state has provided for that project. Those funds were critical to making the Carlisle renovation a reality.

"In a few weeks the Governor will be releasing his proposed budget for the Commonwealth. Our budget hearings have now been scheduled, and I will be testifying before both the House and Senate on Tuesday, February 27th. We will keep you informed on the budget process as details become available.

"Everyone is aware that we had a record number of applications to Penn State last year, making Penn State the most popular university in the country. I am pleased to report that Penn State's popularity with prospective students continues to soar, as applications for next year are up by nearly 5,700 over last year. As of last week we were ahead by 8.8 percent over the same period the year before in total applications. Undergraduate applications are up 9.4 percent in a demographic environment that shows downward trends, so this is really a great testament to the value that students and families see in a Penn State degree.

"Finally, as I do each January, I want to remind Trustees that the Dance Marathon will be taking place next month, and I want to encourage you to drop by. It is one of the most exciting events of the year on our campus. It will take place February 16th to the 18th. And this year THON will be moving to the Bryce Jordan Center, so we expect it to be even bigger and better than ever. I hope you will try to stop by and cheer on the dancers.

"That concludes my report. I would now be happy to answer any questions that you might have."

President Spanier received comments concerning:

- Penn State's initiatives on environmental stewardship including alternative fuels and renewable resources;
- The total dollars received and the number of students benefitting from the trustee matching scholarship program;
- The new metrics used in reports generated and reported by the *Chronicle of Higher Education*;
- The impact of U.S. House of Representatives legislation regarding lowering interest rate of student loans and the impact on affordability;
- The responsibility Trustees have in determining the appropriate level of debt acquired in securing an education;
- The method of communicating educational resources and funding packages to potential students;
- The increase of students applications and the percentage of out-of-state applications;
- The high graduation rate realized by Penn State student athletes;
- Procedures implemented to manage the complex admission challenges for the 07/08 academic year; and,
- The great new executive chairs in the Boardroom of the Nittany Lion Inn.