

MINUTES OF MEETING

PRESIDENT'S REPORT

VOLUME 227

July 14, 2006

The President's Report was given in the Rose Garden Room of The Park Hyatt, Philadelphia, Pennsylvania, at 8:45 a.m. on July 14, 2006.

The following Trustees were present: Baldwin (chair), Broadhurst (vice chair), Alexander, Chaiken, Clemens, Conti, DiBerardinis, Eckel, Foulke, Garban, Hayes, Henning, Hetherington, Hintz, Huber, Jones, Joyner, Junker, Metzgar, Myers, Peechatka, Poprik, Riley, Rowell, Shaffer, Spanier, Suhey, and Wolff; and Trustees Emeriti Frey, Huck, Robinson, and Wolff.

Present by invitation were faculty representatives Blasko, Casteel, and Floros; student representatives Livingston, and Stathes; staff members Ammerman, Curley, DiEugenio, Dolbin, Erickson, Kirsch, MacCarthy, Mahon, Paz, Pell, Romano, Schultz, Steele, Triponey, and Weidemann; and Mr. Courtney of McQuaide Blasko.

Chair Baldwin welcomed new trustee Barron "Boots" Hetherington, owner and operator of B & R Farms. Chair Baldwin also welcomed the University Faculty Senate officers Joanna Floros, Evan Pugh Professor of Cellular and Molecular Physiology, Pediatrics, and Obstetrics and Gynecology, Dawn Blasko, Associate Professor of Psychology at Penn State Erie, The Behrend College, and Mark Casteel, Associate Professor of Psychology at Penn State York; and student representatives Jerry Livingston, President of the Council of Commonwealth Student Governments and Nick Stathes, President of the Undergraduate Student Government.

President's Report

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

"Since we are meeting today in Philadelphia, I thought it would be useful to start my report by giving you a little background on Penn State's connection with this area, because it has had a significant impact on our history and our present strength.

"Penn State's ties to the Philadelphia region are as deep and enduring as the University's own roots. In fact, it was through the efforts of the Philadelphia Society for the Promotion of Agriculture that Penn State was born. The Philadelphia Society, established in 1785, was among the nation's earliest groups dedicated to improving agricultural production through the application of scientific methods. It counted among its initial membership such luminaries as George Washington, Thomas Jefferson, and Ben Franklin. Eventually, one of the Philadelphia Society's objectives was to establish an educational institution devoted to the study of agricultural science. After several false starts, the society's membership recognized that such an institution could not be successful unless it gained statewide support. So the Philadelphia Society called for the founding of a state agricultural society.

"In response, representatives from more than 50 counties gathered in 1851 to organize the Pennsylvania State Agricultural Society. Four years later, that body obtained a state charter for the college we now know as Penn State. One of the Philadelphia Society's most distinguished members, Frederick O. Watts, was elected the first chair of the college's Board of Trustees. And it should be noted that Watts worked closely with Penn State's first president, Evan Pugh, who was born and raised in Chester County.

"Only months after the college was chartered, it received a major gift from a Philadelphian that proved crucial to its future. Elliot Cresson, a merchant and philanthropist well known for his support of scientific and educational endeavors, left Penn State \$5,000 in his will. The college had already received \$10,000 from the state agricultural society, and \$10,000 from Centre County citizens. Cresson's donation brought the total to \$25,000 enough to convince the state legislature to appropriate an additional \$25,000 immediately. These funds enabled Penn State to complete the first section of Old Main in 1859, and admit the first class of students.

"Now let's fast forward nearly a century, to 1948. That's when Penn State established its first permanent campus in the Philadelphia region. It was located at Swarthmore, and enrolled engineering technology students and first-year undergraduates. The campus moved to Abington Township in 1950, upon the receipt of a major gift from yet another prominent Philadelphian, Abby Sutherland. She operated the Ogontz School for Girls and Ogontz Junior College, and upon her retirement, she donated the facility to Penn State for use as an undergraduate center. Ogontz campus, of course, has become today's Abington Campus.

"Penn State Abington, Penn State Delaware County and Penn State Great Valley enroll a total of more than 6,000 students each year. These three campuses alone contribute nearly \$270 million annually to the economy of the city of Philadelphia and the nearby counties of Bucks, Montgomery, Delaware and Chester. Including the impact of those three campuses, Penn State has an overall annual economic impact of about \$350 million in this region, according to a recent study.

"Finally, consider the impact of the 64,000 Penn State alumni who live in Philadelphia and the four surrounding counties. That's one in four of all Penn State alumni who reside in Pennsylvania. Indeed, Montgomery County has the second-highest number of Penn Staters of any county in the Commonwealth, with more than 19,000 alumni.

"So you can see that the Philadelphia area has played a key role in shaping the development of our University, and we are delighted to be here for our Board of Trustees meeting.

"Given the great things that have come to Penn State from this region, it is particularly nice to be able to report to you today that our applications for the fall of 2006 have reached an all-time record, now standing at nearly 92,000 and still counting. We believe this to be the largest number of applications to any university in the nation, ever. It is an extraordinary statement about the popularity--and certainly the value, as seen by the citizens of the Commonwealth and beyond--of a Penn State degree.

"In addition to the record applications, we have seen an equally impressive upturn in our yield rate. The yield is the number of students who choose to accept our offer of admission. The yield rate historically has never varied more than fractions of a percent from year to year. This enables us to have a good feel for the number of students to whom we can offer admission.

"This year we were planning on a freshman class at University Park of 7,000. Yet we had more than 8,600 students send a deposit and say they were coming. In a typical year, we see some loss of these "paid accepts" over the summer. That typically runs at about 5 percent. But this year even the summer melt is not what we expected, with only about 3 percent of the paid accepts changing their minds, leaving us at present with 8,400 paid accepts to University Park. Their number will continue to shrink, but only slightly.

"This has presented us with a challenge in finding residence hall space and ensuring enough class sections for what will surely be our largest freshman class ever. While this is a nice problem to have, and one that many universities would love to be facing, it has nevertheless required a great deal of balancing by our staff, and fortunately, we taking all the needed steps to ensure that we will have the proper space for this very large class.

"We have similarly seen an upturn in enrollment at virtually all of our campuses, so this fall looks to be a very healthy one for Penn State, with paid accepts for this fall for the campuses and University Park together totaling 16,637.

"One sidebar to this huge surge of popularity is that student football tickets sold out at a record pace. Penn State offers more student seats than any other university in the Big Ten. Typically it takes a couple of months over the summer for these seats to sell out, but this year they sold out in a matter of days.

"With respect to football, last month the Big Ten made the formal announcement of the new television agreements for the conference. As members of this Board are aware, we have been in negotiations for over a year on these agreements, and I am pleased to report that it has turned out to be an outstanding outcome for the Big Ten and Penn State.

"In addition to a 10-year agreement that will bring even more games to ABC and ESPN, we are also creating the Big Ten Channel. When it debuts in the fall of 2007, we expect the Big Ten Channel will be available to viewers across the nation via cable outlets in all regions of the country and to Direct TV satellite subscribers. The Fox Network is managing the rollout of the channel, and they have a terrific record with new cable channel start-ups, having rolled-out 4 of the 6 most successful new cable networks in history.

"The new channel will afford far greater exposure for women's sports and for Olympic sports; men's and women's basketball; and a broader reach for football games that will not be carried on ABC or ESPN. It will also provide Penn State with five hours per month of non-athletic programming, which will give us a great opportunity to highlight for a national audience Penn State's research accomplishments, cultural activities and many other areas of university life. I want to thank the Board for your support of my efforts in these negotiations.

"Another activity of the University with far-reaching impact is our partnership with the Worldwide Universities Network. In late May, at a press conference in London, we announced an important new initiative--driven by Penn State faculty--that will be launched by the WUN.

"The International Center for the Study of Terrorism, a research center dedicated to reducing the global threat of terrorism and minimizing its impact on society, brings together experts from both sides of the Atlantic and from other countries to investigate the root causes of this worldwide phenomenon, understand its long-term effects on society and identify new ways of safeguarding individuals, organizations and communities.

"Clusters of researchers from the partner universities are seeking answers to dealing with terrorism by drawing on a range of academic disciplines, including psychology, sociology, political science, anthropology, religious studies, criminology and mathematics.

"The hub of the Center is at Penn State, and will be operated under the direction of Kevin Murphy, professor of psychology. Most of the other partners in the center are members of the Worldwide Universities Network--a group of 16 universities in the UK, mainland Europe, the United States and China that pool their research strengths to address topics of major significance, from climate change to wireless communications. Penn State played an instrumental role in developing the WUN, and this newest initiative holds great promise for addressing one of the real menaces that exists in the world today. We expect that there will be significant research funding that will flow to the new Terrorism Center.

"I am pleased to report to you today that research funding at Penn State set yet another new record this past year. We closed the books on June 30 with new awards of \$617,483,413 up more than 11.1 percent from last year. Keep in mind these are awards data and not expenditures, which will be reported later in the year. But since awards are posted throughout the year, they definitely impact expenditures. What these most current data demonstrate is that Penn State has a very healthy research enterprise. Our growth is not dictated by the success of any one single college. In fact, the uniqueness of Penn State's research success is its breadth, which is matched by only a few other universities in the nation.

"The mental health of today's college students is a source of great concern for many people in the student affairs area of universities across the country. To address the growing concerns in this area, Penn State is undertaking an initiative unprecedented in the field of college student health care. Senior staff within Counseling and Psychological Services at Penn State will administer the new Center for the Study of College Student Mental Health.

The new program aims to create a nationwide data-sharing network of college and university counseling centers that will enable real-time tracking and analysis of the state of mental health among American students in higher education who seek mental health services.

"Ben Locke, Center for Counseling and Psychological Services assistant director of research and technology and national coordinator of the effort, has noted that the center will address a critical gap in the research on college student mental health: the ability to accurately and routinely describe the state of university and college counseling centers, on a national level, as measured by standardized data.

"We believe this new effort will have a significant impact on the effectiveness of student psychological counseling.

"Finally today, I want to share news on several individual honors. The first pertains to Cynthia Baldwin, who has been named a fellow of the Brookings Institute. The Brookings Institute is one of the oldest and best known think tanks in the United States. It is an independent, nonpartisan organization devoted to research, analysis, education and publication focused on public policy issues. It is a great honor for Cynthia to be asked to affiliate with the institute as a non-resident fellow, and I want to offer very hearty congratulations on this honor.

"Also honored since our last Board meeting was Joe Paterno. It was announced last month that he and Bobby Bowden will be inducted into the National Football Foundation's College Hall of Fame, and that each of them will also receive the Foundation's highest and most prestigious honor--the Gold Medal--at the annual Hall of Fame dinner in December.

"The Gold Medal has been awarded annually since 1958 and recognizes outstanding Americans who demonstrate integrity and honesty, achieve significant career success and have reflected the basic values of those who have excelled in amateur sport, particularly football.

"Paterno and Bowden will become the 49th and 50th recipients of the Gold Medal, which has been presented to seven U.S. Presidents, four U.S. Generals, three U.S. Admirals, one U.S. Supreme Court Justice, 25 Corporate CEOs and Chairmen, and such luminaries as John Wayne and Jackie Robinson.

"Lastly, I want to offer congratulations to Penn State soccer standout Tiffany Weimer, who was honored as the Suzy Favor Female Athlete of the year in the Big Ten. Tiffany led a squad that finished the Big Ten season undefeated and won its eighth-straight Big Ten championship. She becomes the sixth Penn State student-athlete to collect Athlete of the Year honors from the conference.

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

President Spanier received comments concerning:

- Hazing within athletics, student organizations and fraternities;
- Demographics of gender as it relates to composition of student body;
- The revision of administrative policies on non-discrimination, intolerance, and speech codes;
- Rooming/housing needs for the increased number of incoming freshmen; and
- Providing alternatives to meet the student football ticket demands.