

MINUTES OF MEETING

**PRESIDENT'S REPORT**

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The President's Report was given in the Urban Room of the Omni William Penn Hotel, Pittsburgh, Pennsylvania, at 8:40 a.m. on March 17, 2006.

The following Trustees were present: Baldwin (chair), Broadhurst (vice chair), Alexander, Brosius, Chaiken, Clemens, J. Conti, Garban, Henning, Hintz, Huber, Jones, Junker, Metzgar, Peechatka, Riley, Shaffer, Spanier, Strumpf, Suhey, and Zahorchak; and Trustees Emeriti Robinson, Schaffer, Springer, and B. Wolff.

Present by invitation were faculty representatives Blasko, Floros, and Myers; student representatives Borawski and Streaker; staff members Ammerman, DiEugenio, Dolbin, Erickson, Hillemeier, Kirsch, MacCarthy, Mahon, Pangborn, Pell, Romano, Schultz, Steele, Triponey, and Weidemann; and Mr. Courtney of McQuaide Blasko.

Chair Baldwin opened the meeting by welcoming everyone to Pittsburgh, the region that she lives and works, as well as the home of Super Bowl XL Champions, the Pittsburgh Steelers.

Chair Baldwin reported on the Big Ten Governing Boards Breakfast meeting that she attended the previous weekend in Indianapolis.

Chair Baldwin welcomed Rob Pangborn in his new capacity as Vice President and Dean of Undergraduate Education and Craig Hillemeier in his role as Interim Senior Vice President and Dean for Health Affairs and Dean of the College of Medicine. Chair Baldwin also welcomed the University Faculty Senate officers Jamie Myers, Associate Professor of English, Joanna Floros, Evan Pugh Professor of Cellular and Molecular Physiology, Pediatrics, and Obstetrics and Gynecology, and Dawn Blasko, Associate Professor of Psychology; student representatives Brian Borawski, President of the Graduate Student Association, and Kathleen Streaker, President of the Council of Commonwealth Student Governments; and Bob Steele, Chair of the Academic Leadership Council and Dean of the College of Agricultural Sciences.

**President's Report**

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

"I would like to start my report today by congratulating Cynthia Baldwin on her confirmation as a justice of the State Supreme Court. I don't think anyone ever doubted the outcome, but it was nice to see Cynthia's appointment by the Governor endorsed so enthusiastically by both sides of the aisle.

"It seems only fitting that we should be having our first meeting following her confirmation in Cynthia's home town. Each year we try to give the Board some exposure to the reach of Penn State across the region, and Pittsburgh has certainly played a prominent role in Penn State's history and success.

"As you might expect, Penn State makes its impact felt in the Pittsburgh area in many ways. Three of our undergraduate campuses--Beaver, McKeesport, and New Kensington--currently enroll more than 2,200 students. According to an economic impact study completed in 2003, those three campuses had a combined direct and indirect impact in the region of more than \$160 million.

"Overall, some 22,300 Penn State alumni reside in Allegheny County. Including the five contiguous counties of the Greater Pittsburgh region, the number of alumni grows to nearly 41,000. Put another way, one Penn Stater in every six residing in Pennsylvania resides in the six-county Greater Pittsburgh region.

"When Penn State celebrated the 150th anniversary of its founding last year, we were reminded that Allegheny County actually was in the running as a possible site for what was then called The Farmers' High School. One of the offers of land for the new school's

location came from the estate of one George A. Bayard of Pittsburgh. The Bayard estate offered to sell the Board of Trustees 600 acres. That compared with an offer of only 200 acres from James Irvin of Centre County. Irvin, however, was willing to make an outright gift of his land and sell an additional 200 acres at a discount. The Trustees knew a good deal when they saw one, and that's the prime reason why we don't convene our meetings in Pittsburgh every two months!

"One other historical note: Penn State opened its first permanent Pittsburgh instructional location in 1923. You might think it would relate to outreach education in engineering or the mineral industries, given this region's wealth of industry and natural resources. In fact, it was the Dean of Education, Will Chambers, who initiated a Teachers Training Center. The center offered evening classes to elementary and secondary teachers to help them meet higher standards of state certification. The technical institutes actually came later, McKeesport in 1948 and New Kensington in 1958. Both campuses, along with Penn State Beaver, became full fledged Commonwealth Campuses in the 1960s.

"Finally, I might note that there is a great deal of precedent for Pittsburghers to serve as chairs of the Board of Trustees. In addition to Judge Baldwin, at least five other residents of the city or its environs have held that post, starting with another judge, H. Walton Mitchell, in 1914. Mitchell, as many of you know, built the house now known as Schreyer House.

"As nice as it is to be in Pittsburgh this week, much of the recent focus on University activities has been in Harrisburg, where I have testified before both the House and Senate appropriations committees regarding our budget request.

"The hearings went pretty much as we would have expected. They are the beginning of a long process of negotiations that run through the spring, usually concluding sometime in June. We continue to be hopeful that there will be some level of funding added to the Governor's initial proposal of 3.3 percent.

"As you know, the Governor's proposal included nothing for agricultural research or cooperative extension. I made it very clear in both hearings that this would have a devastating impact on our mission and seriously erode the support that we provide to a key industry in Pennsylvania - agriculture. We will continue to press for funding of those lines, and will keep you apprised of any changes.

"We did, however, have some very positive philanthropic news to report earlier this month, when Dow Chemical contributed \$2 million to endow a fund to benefit Penn State's department of chemical engineering--the largest endowed gift made by a corporation in the University's history.

"The Dow Chemical Co. and Larry Duda Excellence in Chemical Engineering Fund" recognizes Penn State Professor Larry Duda for his numerous achievements in chemical engineering and Dow's strong relationship with the University. The fund will support research and instructional programs in the department through a variety of activities, such as the purchase of lab equipment, graduate student stipends, seed funding for new research initiatives and attracting and retaining faculty. In addition, Dow has designated Penn State a key recruiting university. The relationship between Penn State and Dow spans more than four decades. It has been a very productive partnership, and we are deeply grateful for Dow's generosity.

"The other great philanthropic story this month is THON. Penn State student volunteers celebrated a record-setting collection of \$4,214,748.18 at the 34th Annual Penn State IFC/Panhellenic Dance Marathon.

"Proceeds from THON benefit The Four Diamonds Fund, based at Penn State Children's Hospital at the Hershey Medical Center. The Four Diamonds Fund supports children and families fighting pediatric cancer, as well as pediatric cancer research.

"Penn State Hazleton was the University's commonwealth campus with the highest fund-raising total, at nearly \$34,000. Among Greek organizations, perennial leaders Alpha Tau Omega fraternity and Zeta Tau Alpha sorority once again posted top earnings, this year with more than \$300,000.

"This year was the last for THON inside Rec Hall, which has housed the event since 1999. In 2007, THON moves across campus to the Bryce Jordan Center which will offer better amenities for student dancers and for Four Diamonds families visiting the event. In addition, the new venue will be better able to accommodate the thousands of visitors and supporters who come to witness the event, particularly those who may have been turned away previously during THON's final hours, which typically includes crowds of thousands overflowing Rec Hall.

"Later today we will be asking the Board to confirm the appointment of Harold Paz, who is currently dean of the Robert Wood Johnson School of Medicine in New Brunswick, New Jersey, to lead Penn State's Milton S. Hershey Medical Center and College of Medicine.

"With your confirmation, Dr. Paz will succeed Darrell Kirch as Penn State's senior vice president for health affairs, dean of the College of Medicine, and CEO of the Penn State Milton S. Hershey Medical on April 24th.

"You will be hearing from Dr. Paz later in the meeting, and you should all have had a chance to read his very impressive vita. I wanted to take just a moment to thank Darrell Kirch for his great leadership at Hershey, and publicly wish him great success in his new role as President of the Association of American Medical Colleges in Washington, D.C.

"Energy costs have been much in the news lately. At Penn State we have been very proud of the efforts that we have made to reduce energy consumption through a wide variety of techniques. This has been important both for budget savings as well as environmental concerns. So it was particularly nice to note that Penn State has made the U.S. Environmental Protection Agency's list of the top 10 college and university Green Power Partners. The University is being recognized for its voluntary purchase of 17,600 megawatt-hours of green power.

"Penn State purchases this green power in the form of wind-generated electricity from Community Energy, Inc. The source of our wind-generated electricity is located in Somerset County where 220-foot-tall, state of the art, wind turbines produce the 17,600 megawatts purchased by the University. Wind energy is 100 percent emission and pollution-free.

"Our wind power purchase supports the University's environmental strategy to move toward sustainable practices and enables Penn State to play a key role in helping the emerging renewable energy market.

"On a science-related note, as you may know, Penn State operates the Swift Satellite for NASA from our Mission Operations Center near the University Park campus. The Swift project has been an extraordinary success in measuring Gamma-Ray bursts, which have helped astronomers gain insight into the origins of the Universe.

"Last month, Swift detected a cosmic explosion that has sent scientists around the world scrambling to telescopes to document this startling event. Gamma-ray radiation from the source, detected on February 18th and lasting about half an hour, appears to be a precursor to a supernova, which is the death throes of a star much more massive than the sun.

"The observations indicate that this is an incredibly rare glimpse of an initial gamma-ray burst at the beginning of a supernova. Astronomers are using Swift to continue to observe the event. Scores of satellites and ground-based telescopes around the world also are now trained on the sight.

"Our faculty continue to garner recognition in many different ways. One good recent example is Christopher Kiver, assistant professor of music and director of the Glee Club and Chamber Singers, who won two Grammy Awards during the annual ceremony in February for his involvement in the recording of "Songs of Innocence and Experience," a massive choral/orchestral work.

"As one of the choir directors for the recording, Kiver won for Best Choral Performance and Best Classical Album. "Songs of Innocence and Experience" also received the Grammy for Best Classical Contemporary Composition.

"Two Penn State students have also received an important national recognition. The students are among a handful of scholars nationwide to garner a Gates Cambridge scholarship, a fixture among elite academic honors since the program began in 2001.

"Last month, the Gates Cambridge Trust announced that the two Schreyer Honors College scholars--Tiffany Bogich, a student completing a B.S. in mathematics and an M.S. in ecology, and Alexandria Richart, a senior majoring in biology--were among the 40 students across the country to be selected for this international honor.

"As you can see, we continue to attract some of the most outstanding students to our University. We also continue to experience wide popularity, as evidenced by our latest status report from admissions. As of last week, applications for all campuses are up by 12.3 percent compared to this same time last year. Both graduate and undergraduate applications total more than 80,500 at all locations, and applications to The Dickinson School of Law are still elevated significantly for a nearly 32 percent increase.

"To break this down a bit, undergraduate applications are up 13.2 percent and graduate applications are up 11.7 percent. This is a record setting year for us in both areas. Among undergraduate applications, we have received more to date than in any prior year, and the number of paid accepts is up by 23 percent, due in part to the increased number of offers we have made.

"One interesting note is that 78 percent of all undergraduate applications are being received via the web.

"A clearer picture of this year's admission cycle will emerge in late May as students make their final decisions and I will be sure to provide you with a final count.

"Finally, on the athletics front, a terrific year of championships continued when our women's swimming and diving team won the Big Ten Championship for the second year in a row. In addition, Paula Wilkins, our women's soccer coach, was named Division I National Coach of the Year by the National Soccer Coaches Association of America.

"That concludes my report. I would be happy to answer questions on any issues that you might want to discuss."

President Spanier received comments concerning:

- The possible change of the recognized student government association;
- NCAA and Big Ten policies on athletic drug testing;
- ROTC briefing;

- The increase and yield of student applications; and
- The interest from clergy and local congregations to affiliate with Penn State on curriculum transfers.