

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, on Friday, January 21, 2005, at 9:05 a.m.

The following Trustees were present: Baldwin (chair), Broadhurst (vice chair), Clemens, J. Conti, Eckel, Fortinsky, Garban, Hayes, Henning, Hintz, Jones, Joyner, Junker, Metzgar, Myers, Peechatka, Riley, Shaffer, Spanier, Steel, Strumpf, and Suhey; Trustees Emeriti Frey, Huck, Madigan, and Robinson; and Governor's Representative Chaiken.

Present by invitation were faculty representative Steiner; student representative Kazi; staff members Ammerman, Anderson, DiEugenio, Dolbin, Erickson, Kirch, Kirsch, MacCarthy, Mahon, Schultz, Triponey, and Weidemann; and Mr. Bright of McQuaide, Blasko, Schwartz, Fleming, and Faulkner, Inc.

Chair Baldwin welcomed Dr. Francis V. Barnes, Secretary of the Pennsylvania Department of Education; faculty representatives Kim Steiner and Dawn Blasko; student representatives Bridget Daly, Galen Foulke, and Abid Kazi; and Doug Anderson, Dean of the College of Communications, and Chair, Academic Leadership Council.

**President's Report**

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

"Thank you, Cynthia. Good morning. As I think all of you are aware, the marketplace for students has become increasingly competitive in Pennsylvania, with private and public universities involved in very aggressive marketing efforts, and in the case of our private counterparts, steep tuition discounting as well.

"In the face of this aggressive competition for the attention of students, it is particularly nice to be able to report to you this morning that applications for baccalaureate admissions to Penn State are up 4.7 percent over this time last year. And you will recall that last year produced the second highest total number of applications in Penn State history, eclipsed only by the year before, and we are presently more than 2,000 applications ahead of where we were at the same point in that record-setting year.

"While we still have a few months to go before the admissions cycle is complete, this is positive news for the University.

"Penn State spends considerably less in the advertising and marketing area than any of our competitors, despite our need to reach a statewide audience.

"Our success at continuing to attract large numbers of talented students is a great indication of the continued popularity of Penn State. I believe that it signals a bright future for the University, despite the state budget difficulties and the demographic challenges that loom in the years ahead around many of our campuses.

"One of the most ambitious projects that Penn State has undertaken in the past few years has been the conversion to a new identification system that eliminates social security numbers. Because social security numbers have been used for years as the primary identifier of students, faculty and staff, they were integrated into literally thousands of data systems across the University. But their ubiquity raised legitimate concerns about confidentiality and security.

"I am very pleased to report that Penn State has now successfully completed the change over to a new identification system. It was done ahead of schedule and without any glitches, and makes Penn State one of the first universities in the country to successfully move away from the use of social security numbers for identification purposes.

"We believe that this is an important and necessary step in securing the privacy of students as well as employees, and allowing far greater protection of their social security numbers. Congratulations go to Gary Augustson and his entire staff for smoothly completing this extraordinarily complex project.

"I am pleased to report that we continue to make great progress in the on-line environment. We just graduated our first MBA class from our on-line iMBA program. Launched in September 2002, the iMBA features instruction by Penn State graduate faculty that can be accessed anytime, anywhere, providing a learning option for busy people with career and family responsibilities. Students can complete the 48 credit program in two years, without having to quit their jobs or move.

"Twenty-four managers, engineers, vice presidents and analysts from such companies as Weyerhaeuser, JP Morgan Chase, Bristol-Myers Squibb, Boeing, AT&T, and Dow Corning, as well as the U.S. Navy, were the first to earn their iMBA's, which were awarded at our commencement ceremony on December 18, 2004.

"The iMBA draws on the expertise of graduate business faculty members located in four Penn State colleges: Penn State Erie, Penn State Great Valley, Penn State Harrisburg, and the Smeal College of Business Administration here at University Park.

"Importantly, 100 percent of the graduating class survey responses indicate that they would recommend the iMBA to a personal friend or colleague at work.

"As you know, we are in the middle of our Sesquicentennial celebrations, and an important academic component of the University's festivities is a national symposium next month that will examine the future of public research universities.

"The symposium will address new political and economic realities facing public research universities, bringing together some of the leading academic experts in the country, and is sponsored by the Penn State Alumni Association and Penn State's Center for the Study of Higher Education. The event will take place at The Penn State Conference Center Hotel on February 25-26, 2005, and I would urge any of you with an interest in the future directions of public research universities to consider attending. Dave Jones wanted me to give all of you a special encouragement, as Trustees, to attend that symposium. So, thank you for that reminder.

"The tsunamis that devastated the Indian Ocean region have had a profound impact around the world, and I am pleased to report that Penn State students, faculty, and staff have done their part to pitch in and support the relief efforts. There have been fund-raising activities at many events across campus, and we are keeping an updated web page so that people interested in helping can quickly find the latest opportunities on campus to do so.

"We have also been very mindful of the impact that this tragedy has had on our students from the region. A total of 727 Penn State students hail from countries affected by last week's tsunamis in the Indian Ocean, with 630 students from India, 60 from Thailand, 21 from Indonesia, and 16 from Sri Lanka. Immediately after the disaster struck, the University took steps to assist with the challenges they now face.

"The office of student aid has implemented provisions for short-term, interest-free loans for students affected by the tsunamis who need financial help. It is expected that funding will be available on a one-time basis for payment of tuition, short-term living expenses or funds to travel back to affected areas to deal with family issues.

"Penn State's Center for Counseling and Psychological Services was also mobilized to provide counseling to students and others in the University community with needs related to the tsunami disaster.

"Those who have suffered were remembered in a vigil sponsored by the Office of International Programs and the International Student Council that was held on the steps of Old Main. Additionally, Penn State's Center for Ethics and Religious Affairs assisted through the Pasquerilla Spiritual Center.

"One of the very important programs at Penn State that often goes unnoticed is ROTC, but it is one of the best in the country. In fact, the Air Force Reserve Officer Training Corps program at Penn State recently earned the highest rating award from the Air Education and Training Command's inspector general. It is given only to the elite Air Force ROTC detachments in the nation.

"At our last Board meeting I spoke to you about the successful launch of the Swift X-ray telescope, which was built at Penn State and the mission of which is controlled here at University Park by our faculty.

"Known as the XRT, it was designed to help scientists unravel the mystery of gamma-ray bursts, the most powerful explosions known in the universe. These bursts are common, yet random and fleeting, lasting only a few milliseconds to about a minute. Gamma-ray bursts likely signal the birth of a black hole. After the short, bright burst, the embers of the explosion linger on for hours or days as an afterglow of X-rays and optical light. Much still is unknown about the causes of gamma-ray bursts, which is why they are so exciting to astronomers.

"The XRT has already had success, capturing a dazzling image of Cassiopeia A, a well-known supernova remnant in the Milky Way galaxy, and also discovering its first gamma-ray-burst afterglow.

"While the Cassiopeia A image is a stunning sight, this was just a calibration test for the XRT. This telescope's full-time job will be capturing images and spectra of explosions far beyond the Milky Way galaxy, some farther than 12 billion light years.

"Somewhat closer to home, a Penn State researcher has determined that global warming will likely have a positive effect on Pennsylvania agriculture. James Shortle, distinguished professor of agricultural and environmental economics, in a study funded by the United States Environmental Protection Agency, has found that higher levels of carbon dioxide in the atmosphere should stimulate photosynthesis and raise crop yields. Warmer temperatures will also bring additional spring and summer rainfall, which will also be beneficial for crop production.

"Despite this positive news, I did not see anything in Professor Shortle's report that indicated that we will be growing palm trees in Centre County anytime soon!

"Penn State faculty continue to receive recognition for their work in a number of areas. Abhay Ashtekar, holder of the Eberly Family chair in physics and director of the Penn State Institute for Gravitational Physics and Geometry, has received the Humboldt Award for Senior U.S. Scientists from the Alexander von Humboldt Foundation in Bonn, Germany, in honor of his exceptional scientific achievements in theoretical physics.

"Ashtekar's research focuses on quantum gravity and general relativity. He is recognized for his contributions both to Einstein's classical theory of gravitation, or general relativity, and to the ongoing effort to create a quantum theory of gravity. Meanwhile, the French government honored two Penn State faculty members, Norris Lacy and the late George Mauner, for their contributions to education and to the diffusion of the arts in the world.

"Lacy and Mauner were cited as 'exemplars of a very high level scholarship on the culture of France that reaches audiences outside the world of academia.'

"At Penn State Erie, Dr. Roger Knacke, professor of physics and astronomy has had an asteroid named after him by the Minor Planet Center of the Smithsonian's Astrophysical Observatory. Asteroids are the only type of astronomical object that can be named after a living person. 4312- Knacke, as the asteroid is known, orbits the main asteroid belt between Mars and Jupiter, and was named after Professor Knacke for the many contributions he has made in his career in astronomy.

"I have yet to meet a Penn Stater who didn't love the Blue Band, so I think all of us will agree that it is most fitting that the Blue Band was recently selected to receive one of the highest recognitions bestowed upon collegiate marching bands when it was awarded the Sudler Trophy during the Midwest International Band and Orchestra Clinic in Chicago.

"The Sudler Trophy has been presented annually since 1982 to recognize an outstanding college marching band with a long history and reputation for excellence. Not a contest prize, the award recognizes ongoing achievement. The trophy is awarded to a college or university marching band which has demonstrated the highest musical standards and innovative marching routines and ideas, and which has made important contributions to the advancement of the performance standards of college marching bands over a period of years.

"Another fine recognition to note is that seventy-one Penn State student-athletes, representing seven fall sports, have earned Academic All-Big Ten honors this fall.

"Penn State has led all Big Ten schools in fall honorees five of the past seven years.

"Today happens to be the 40th anniversary of Martin Luther King, Jr.'s address at Penn State. Last week the University had a very successful celebration of Dr. King's birthday, and one of the highlights was a superb address by Cynthia Baldwin, which we have posted on our web page.

"The anniversary of Dr. King's birth coincided with very positive recognition of Penn State's diversity efforts. As many of you know, Penn State is the most popular university in the country. Interestingly, Penn State ranks in the top ten in the country for both male and female African American SAT score submissions apart from historically black colleges.

"This success in attracting African American applicants was recently recognized when Penn State was identified as the 11th best university nationally in diversity best practices.

"And one of our best practices is our graduation rate, where Penn State is tied for 5th nationally among public universities in successfully graduating black students.

"Finally, I would like to offer congratulations to Emeritus Trustee and State Senator Roger Madigan, whose hard work in the legislature on behalf of Penn College was noted two weeks ago when the college held a unique groundbreaking ceremony for the Roger and Peggy Madigan Library that will be constructed at the main entrance to Penn College.

"Participants at the event watched through third-floor windows of the Student and Administrative Services Center as the footprint for the building was outlined with a string of lights and a fireworks display commenced. A portrait of Senator Madigan and his late wife, Peggy, which will hang in the library upon completion in the summer of 2006, was unveiled as well. Congratulations to Roger on this wonderful recognition.

"That concludes my report."

President Spanier received comments concerning:

- Sallie Mae's proposed acquisition of the Pennsylvania Higher Education Assistance Agency;
- Penn State's new id+ Card system;
- Nationwide trend of escalating coaches' salaries;
- Penn State's 2005 football recruiting;
- Potential Division IA college football playoffs;
- Graduation rates as an indicator for success for academic and athletic performance among institutions; and,
- Use of steroids among college athletes and NCAA's drug testing program.